

**APPENDIX A**

**HUMAN RESOURCES**

**UNDER CONTRACT NO. DE-NR0000031**

**October 2017**

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## I. INTRODUCTION

This Human Resource (HR) Appendix A sets forth those Contractor HR management policies and related expenses which have cost implications under Contract DE-NR0000031 and identifies those costs deemed reasonable and allowable for reimbursement when incurred in the performance of the Contract work.

Costs and expenses which shall be allowable are contract costs which are determined to be allowable in accordance with the provisions of paragraph (j) of clause Number 41, Payments and Advances, included in Part II, Section I-2, Contract Clauses Incorporated in Full Text, of Contract No. DE-NR0000031. It is intended by the parties that this Appendix A, to the extent revised from time to time with the approval of the Contracting Officer, shall incorporate those policies, practices, and procedures the related costs and expenses of which shall be allowable contract costs subject to the aforementioned contract clause. Only those items of personnel costs and related expenses that are set forth herein or specifically referenced in this Appendix A are allowable costs by advance understanding under this Contract.

The Contractor shall select, manage, and direct the work force. The Contractor shall use effective management review procedures and internal controls to assure that the allowable costs set forth herein are not exceeded, and that areas which require prior approval of the Contracting Officer are reviewed and approved prior to incurring such costs.

Either party may request that this Appendix A be revised and the parties hereto agree to give consideration in good faith to any such request. Revisions to this HR Appendix A shall be accomplished by executing and submitting a Reimbursement Authorization (DOE Form AD-36) for approval by a Contracting Officer. When revisions to this Appendix A are agreed upon and approved by a Contracting Officer, the revised pages will be issued reflecting such changes and will bear the effective date of such changes and the Reimbursement Authorization number in the upper right-hand corner of each page.

Any proposed changes to benefits covered under the existing bargaining agreements would be subject to bargaining under the applicable agreement.

The Human Resources Appendix A is adopted for the exclusive benefit and convenience of the parties hereto and nothing contained herein shall be construed as conferring any right or benefit upon past, present or future employees of the Contractor or upon any third party.

The Contractor shall promptly furnish all reports and information required or otherwise indicated in this Appendix to the Contracting Officer.



## II. DEFINITIONS

For clarity and consistency of meaning and intent, the following terms are defined for use in this Appendix A.

Absence – Time that an employee is not at work during the employee's scheduled working hours, which have not otherwise been worked on an alternate date within the Standard Work Schedule.

Authorized Dependent – Immediate family as defined in the Federal Travel Regulations.

Band of Hours – The time period when Standard Work Schedules must begin and end.

Base Annual Payroll – The total Contractor wages categorized as regular earnings excluding overtime and premium pay, separation allowance pay, special pay programs, and other adders.

Base Pay – The annual salary established for each employee excluding overtime and premium pay, separation allowance pay, special pay programs, and other adders.

Basic Work Week – A basic work week consists of 40 hours.

Budgetary Furlough – Periods of time off without pay resulting from a loss of funding or a significant reduction in budget.

Casual Employee – An employee hired for a predetermined, limited period of time, or hired to complete a specific task.

Casual Overtime – Irregular uncompensated hours worked by an exempt employee to accomplish normal job requirements.

Core Hours – The time period when employees must normally be at work during each day that they are scheduled to work.

Disciplinary Furlough – Time off without pay for employee misconduct.

Emergency Furlough – Periods of time off without pay resulting from conditions where transfer of employees to provide work is not feasible.

Essential Employee – An employee that is required to remain working during a furlough period to support safety, security, health, and critical Program operations.

Exempt Employee – As designated by management, a salaried employee who meets the exemption qualifications set forth in the federal Fair Labor Standards Act and implementing regulations as well as those qualifications set forth in state law.

Extended Work Week – An extended work week is a work week regularly scheduled and established in excess of 40 hours. The establishment of a work week in excess of 40 hours per week constitutes an extended work week only when an individual is scheduled for 48 or more hours per week for a period in excess of 4 consecutive weeks.

Full-Time Regular Employee – An employee who is not considered to be a Part-Time Regular Employee, a Casual Employee or an Intern Employee as defined elsewhere in this Appendix.

General Manager (GM) – The Contractor's supervising representative who is in charge of operations for the Contractor.



Holiday Furlough – Days off without pay for nonexempt employees at NRF during the scheduled holiday shutdown period.

Hourly Rate – An employee's straight time rate plus applicable rotating shift or night shift differential premiums. This is the rate to which the nonexempt overtime premium is applied.

Intern Employee – An employee who is hired into a position in the Contractor's Internship Program for a defined time period of employment.

Immediate Family – The parents (or persons serving in this capacity), mother/father-in-law, grandparents, grandparents-in-law, brothers and sisters of the employee or of the employee's spouse, brothers- and sisters-in-law, the employee's spouse and children (natural, stepchildren, adopted, and any other foster children if living in the employee's home), step-parents, grandchildren, sons-in-law, and daughters-in-law.

Long Term Temporary Assignment – A change in an employee's place of work that is greater than 365 successive days and up to 1,095 successive days in duration. For temporary international assignments in the United Kingdom, the duration extends up to 7 years.

Nonexempt Employee – An employee who is subject to the provisions of the Fair Labor Standards Act and/or associated state laws.

Overtime – Time worked beyond a basic work week of 40 hours for nonexempt employees (in which nonexempt employees are paid at a rate not less than time and one-half their regular rate of pay) and beyond 80 hours over defined consecutive two-week periods for exempt employees, for which pay is received in addition to the employee's base salary.

Part-Time Regular Employee – An employee who is routinely scheduled to work a reduced schedule, which is generally defined as 20 to 32 hours per week

Permanent Job Separation – The termination of the employment of an employee through no fault of his/her own for lack of work for reasons associated with the business for which the Contractor determines there is no reasonable expectation of recall. In no event does a permanent job separation occur if the employee is offered continued employment by the Contractor, an affiliated entity, or a successor employer which is neither the Contractor nor an affiliated entity.

Plant Closing (Location Closedown) – As defined in Federal and State Worker Adjustment and Retraining Notification (WARN) laws, generally this means the announcement and implementation of a plan to terminate and discontinue all Contractor operations at any site operated by the Contractor as part of the Laboratory, without any then-existing plan for resumption or continuation of operations (excluding deactivation and decommissioning work) at that site by either the Contractor or any other Government Contractor or Government agency.

Regular Furlough – Days off per week or per month without pay given employees as part of a program of sharing work in lieu of reduction in force.

Short Term Temporary Assignment - A change in an employee's place of work that is greater than 29 calendar days and up to 365 days in duration.

Site Closing –The temporary shutdown of Bettis, Knolls, Kesselring Site, Naval Reactors Facility, Nuclear Power Training Unit – Charleston or other locations.



Straight Time Rate – An employee's base pay converted to an hourly rate. This is the rate to which the exempt overtime premium is applied.

Total Employment Service – Service used to determine eligibility for paid time off, company service awards, severance plans, Extended Salary Payments, educational assistance and Leaves of Absence. It includes all service recognized by the former Contractors as of the date of contract transition and time worked at the Contractor as a Full-time Regular Employee, a Part-time Regular Employee or an Intern Employee (for intern experience in calendar year 2008 or later). Total Employment Service is also granted for time recognized by Bechtel Plant Machinery, Inc (BPMI) for employees who formerly worked at BPMI. Total Employment Service for time worked at another organizational entity with the Contractor's parent company may be granted for employees with Contracting Officer approval.

4 x 10 Work Schedule – A work schedule that consists of 40 hours per work week, 10 hours per day for 4 days, typically Monday through Thursday, but may be Tuesday through Friday.

9/80 Work Schedule – A work schedule that consists of 80 hours worked over 9 days in a two-week period, normally Monday through Friday (excluding Saturday and Sunday), and includes no inherent overtime.

Nonstandard Work Schedule – All work schedules that do not meet the Standard Work Schedule definition. These schedules involve assigned shifts other than Monday through Friday, and may include working more than or less than 5 days or 40 hours in the work week.

Standard Work Schedule - A work schedule that consists of 40 hours per work week for nonexempt employees or 80 hours over a defined consecutive two-week period for exempt employees, normally Monday through Friday (excluding Saturday and Sunday), and includes no inherent overtime.

Work Week – Seven consecutive 24 hour periods totaling 168 hours, beginning with a specific day and time, used to determine eligibility of a nonexempt employee for overtime payments in accordance with the Fair Labor Standards Act.

### **III. PAY POLICIES**

#### **A. GENERAL**

1. All full-time Regular Contractor Employees will be paid a semimonthly or weekly salary which is based on a basic 40 hour work week for nonexempt employees and 80 hours worked over a defined consecutive two-week period for exempt employees. Part-time Regular Employees may be paid on an hourly or salaried basis, depending on business circumstances. Casual and Intern Employees will be paid on an hourly basis.
2. The Contractor shall submit its Compensation Program to the Contracting Officer for review and approval for the purpose of demonstrating sound compensation policies, practices, and procedures in accordance with the requirements of DOE Order 350.1. When the submission of data is impractical, the Contractor shall make the information available for review by the Contracting Officer or his/her representative. The Contractor will submit structure changes, other than annual midpoint adjustments, for approval as necessary. Annual midpoint adjustments will be submitted for information.
3. In addition to base pay and benefits, other monetary incentives or expense reimbursements may be provided by the Contractor to employees. Where specified in this Appendix, prior to receiving these incentives and/or expense reimbursements, employees will be required to sign



repayment agreements which obligate them to pay back the amounts received if the employee is discharged for cause in accordance with the Contractor's Rules of Conduct or the employee resigns before the required time period has elapsed. The Contractor may seek repayment of such incentives and/or reimbursements either directly or through the use of third party collection agents. Costs incurred by the Contractor in seeking such repayment from individuals are allowable. Contracting Officer approval is required to waive repayment obligations. These repayment obligations will not apply to employees who accept positions with Bechtel Plant Machinery, Inc.

## B. ADMINISTRATION

### 1. Exempt Employees

- a. The Contractor's exempt compensation program establishes salary ranges within specific job levels for non-represented employees based on national market data. The salary ranges are reviewed annually by the Contractor to determine what adjustment, if any, is appropriate for the forthcoming year.
- b. New exempt employees are hired at the appropriate salary range for their job level as determined by the details of the position, individual's education, experience, current salary (if any), competing offers, internal equity and other factors affecting the employment market.
- c. The Contractor has established an Individual Salary Increase Plan, including salary ranges, to govern the compensation of all the Contractor management and non-represented professional employees. Any deviations from the Contractor's current and proposed salary ranges will be subject to Contracting Officer approval.
- d. The performance of each exempt employee will be reviewed at least once annually to determine if a salary increase is appropriate. This review will rate individual performance against specific performance measures and be well documented.
- e. Signing Bonuses - A signing bonus up to \$7,500 may be offered to potential employees for competitive recruiting, to acquire critical skill talent or to attract candidates for hard-to-fill positions. The bonus will be paid after the employee starts working for the Contractor and will be subject to repayment in accordance with Section III.A.3 of this Appendix, if the employee leaves the company within 12 months of their payroll start date. All signing bonuses, regardless of amount, will require individual approval by the Chief Human Resources Officer or the Talent Manager.

### 2. Nonexempt Employees

- a. The Contractor's non-exempt compensation program establishes salary ranges within specific job levels for non-represented nonexempt employees based on national, regional and local market data. The salary ranges are reviewed annually by the Contractor to determine what adjustment, if any, is appropriate for the forthcoming year.
- b. New nonexempt employees may be hired at or above the minimum of the appropriate salary range depending upon the policies and procedures of the Laboratory at the location where the employee is hired. Determination of starting salary is based on such factors as training and required experience, local market competition, internal equity and collective bargaining agreements.



- c. The performance of each nonexempt employee will be reviewed at least once annually to determine if a salary increase is appropriate.
- d. Salary schedules for employees represented by collective bargaining agreements are subject to negotiation with collective bargaining representatives. (See Section VI of this Appendix A.)

### 3. Premium Pay Practices

Employees are eligible to receive premium pay as described below. Union-represented employees are eligible for premium pay in accordance with provisions in their collective bargaining agreement.

- a. Night Shift Differential Pay - All exempt and nonexempt employees, except those covered by collective bargaining agreement, routinely assigned to recognized night shift operations (i.e. work shift start times between 2:00 pm and 12:00 am) shall have 10% added to their regularly determined pay for all work performed on such shifts. Regularly determined pay includes straight time rate plus any overtime or other premiums applicable for the specific hours worked. For those eligible to receive night shift differential pay, the night shift differential will apply to personal time off and holiday pay.
- b. Holiday Premium – Employees who are required to work on a designated holiday, or the corresponding actual holiday, are eligible for premium pay, for one of those days but not both, as described below. This pay will be in addition to the “holiday pay” for the designated holiday. Floating holidays are not considered to be designated holidays.
  - (1) If not otherwise paid as overtime in accordance with Section III.E.3 of this Appendix, nonexempt employees will be paid at 1.5 times the employee's hourly rate for all hours worked on that day.
  - (2) In accordance with the eligibility requirements in Section III.E.4.d, exempt employees will be paid at their straight time rate for hours worked on that day and may elect to receive up to 8 hours of floating holiday time in lieu of the holiday pay for working on a designated holiday.
- c. Seventh Consecutive Day Premium for Nonexempt Employees – If not otherwise paid as holiday premium or overtime in accordance with Section III.E.3 of this Appendix, all hours worked on the seventh consecutive day will be paid at 2.0 times the employee's hourly rate provided that: (1) the employee worked or was credited for working at least 48 hours during the six prior work days and (2) the employee worked or was credited for working at least 8 hours on the sixth consecutive work day. If the hours worked are paid as holiday premium or overtime in accordance with Section III.E.3.a, this seventh day premium will provide an additional 0.5 times the employee's hourly rate on that time worked. This premium does not apply if the hours worked are paid as overtime in accordance with Section III.E.3.b.

Taking both holiday and seventh consecutive day premium pay into account as well as overtime, the highest effective hourly rate that will apply to hours worked by a nonexempt employee is a 2.0 times the employee's hourly rate.
- d. Nonstandard Work Schedule Adjustments – Employees regularly assigned to a Nonstandard Work Schedule are eligible to receive the following premium pay adjustments. Exempt Nuclear Operations Program employees receiving the Rotating Shift Adjustment are not eligible for this premium pay.



- (1) Nonexempt employees assigned to a 12-hour shift schedule will be paid a 3% supplemental base pay adjustment. The 3% supplemental base pay adjustment will cease when the nonexempt employee is removed or transferred from the 12-hour shift schedule assignment.
- (2) Exempt employees assigned to work schedules averaging 40 or less hours per work week will be paid a 3% supplemental base pay adjustment. The 3% supplemental base pay adjustment will cease when the exempt employee is removed or transferred from this Nonstandard Work Schedule assignment.
- (3) Exempt employees assigned to work schedules averaging greater than 40 hours per work week will be paid an 8% supplemental base pay adjustment. The 8% supplemental base pay adjustment will cease when the exempt employee is removed or transferred from this Nonstandard Work Schedule assignment.

## C. REVIEWS AND APPROVALS

### 1. Contractor

- a. All hiring rates and salary changes must be approved by HR, the employee's management, and others in accordance with established Contractor procedures.
- b. Addition of a professional position to the salary schedule, or reclassification of an existing position to a different level on the schedule, requires the approval of the GM, or his/her designated representative. For example, adding an Associate or Intermediate level position to the Project Management career ladder.
- c. Promotion of an employee into management or promotion of a management employee to a higher classification requires the approval of the applicable executive level Director, with the concurrence of the Chief Human Resources Officer or the HR Operations Manager. Promotion of an employee into an executive level position or promotion of an executive to a higher classification requires the approval of the GM. Reclassification of a nonexempt employee to an exempt position requires the approval of the Chief Human Resources Officer or the Total Rewards Manager and the applicable executive level Director, with Legal concurrence. Appointments to positions that are contractually identified as Key Management Positions, regardless of site location, must be approved by the GM and then by the Contracting Officer in writing in advance.

### 2. DOE

- a. At the beginning of each fiscal year, the Contracting Officer will approve dollar limitations for structure changes, merit and promotion salary increases for non-represented exempt and nonexempt employees for that year based upon the recommendations provided by the Contractor. The Contractor's recommendations shall include data on: national and industry compensation surveys; current national and local economic and market conditions, and such other criteria as may be agreed upon by the Chief Human Resources Officer, with GM concurrence, and the Contracting Officer. A limitation, expressed as a percentage of exempt or nonexempt base annual payroll, as applicable as of September 30 of the fiscal year immediately proceeding the identified year, plus any lump sum merit awards granted during the preceding fiscal year to employees still on the roll as of that September 30, shall be established. Each component of the funds (i.e., merit and promotion) shall be identified in the Contractor's proposal as subtotals. Any unused portion of allowable salary increases will not be carried forward from year-to-year.



The dollar amount of the funds shall be subject to review and adjustment by the Contracting Officer upon a significant reduction in Contractor employment levels.

All increases or lump sum merit awards for employees are charged to these funds on an annualized basis. Once an individual's salary increase or lump sum merit award is charged to the fund, reuse of that amount, i.e., recovery, for any other purpose during the salary year is unallowable. If an individual terminates before receiving an increase or lump sum merit award, the amount of money allocated for that individual may remain in the fund. In the event that a nonexempt employee is reclassified and assigned to an exempt position, any adjustment to base pay that occurs concurrent with the reclassification will not be charged to the exempt fund.

- (1) The base pay of employees on Military Leave of Absence will be included in the applicable fiscal year Salary Increase Fund (SIF) calculation total in the year they are scheduled to return.
  - (2) The base pay of employees who are not on the active rolls on September 30th of each year due to Leaves of Absences, Extended Salary Payments During Disability or other Disability, or Special Adjustment, but who are scheduled or expected to return to work in the following fiscal year and will be eligible to receive an increase from the applicable SIF will be included in the calculation for determining the SIF.
- b. The Contractor shall submit for Contracting Officer approval proposed adjustments to its schedules of exempt and nonexempt salary ranges. Any such adjustments proposed shall be to maintain parity between the salary ranges used by the Contractor and the external market.
  - c. The Contracting Officer will approve the addition of any new position to the Incentive Plan approved by DOE in accordance with DOE Order 350.1. Approval for any subsequent change in placement on such salary schedule of any incentive eligible position is also required.
  - d. The Contracting Officer will also approve the addition of any new exempt job positions where 1% or more of the Contractor's employees will be the new incumbents.
  - e. Prior to the incurrence of costs, the GM or his/her designated representative will submit, for Contracting Officer approval, each instance for an employee to receive total annual compensation at a rate equivalent to the non-Engineer & Scientist compensation structure midpoint of level 8 or higher. GM approval is required for compensation actions for employees in executive level positions. Any adjustments recommended by the Contracting Officer to such salary increase actions must be in writing to the GM identifying the reason for such adjustments. Total annual compensation as used herein includes base pay, lump sum merit awards, applicable premiums, and any incentive compensation awards during the calendar year.
  - f. Appointment of an employee to a Key Management Position requires approval of the Director of Naval Reactors (NR). Key Management Positions are those identified on the Key Management Position List, which is updated periodically by agreement of the GM and the Director of NR.



## D. TIME AND ATTENDANCE

### 1. Record of Hours Worked

#### a. General

All absences and all compensated hours actually worked by an employee shall be recorded within the electronic time and attendance system and approved by a Manager in accordance with established procedures.

- (1) For nonexempt employees, fractional hours shall be recorded to the nearest 1/10<sup>th</sup> hour.
- (2) Exempt employees are paid on a salaried basis to perform the duties for which they are employed. For attendance recording, all hours will be recorded to the nearest one hour.
- (3) For nonexempt employees required to travel for Laboratory business, the recording and payment of hours worked, and counted as hours when determining overtime eligibility, will be based on the Fair Labor Standards Act guidance as follows:
  - (a) For a trip completed in one day with no overnight stay required, all hours spent traveling during an employee's normally scheduled workday, a regular day off, or designated holiday count as hours worked.
  - (b) For a trip of more than one day with an overnight stay required, only hours spent traveling during the employee's normally scheduled working hours on a normally scheduled workday, a regular day off, or a designated holiday count as hours worked.

#### b. Absence Recording

Absences shall be classified and recorded by the categories listed below and as outlined in Section III.I of this Appendix.

- (1) Personal Time Off
- (2) Medical Time Off
- (3) Holiday
- (4) Paid Administrative Time Off
- (5) Unpaid Administrative Time Off

### 2. Nonstandard Work Schedules

#### a. The Contractor operations utilize the following Nonstandard Work Schedules.

Contracting Officer approval is required prior to the implementation of a Nonstandard Work Schedule other than as listed below.

- (1) X Crew Rotation – A schedule in which an employee works 8 hours per day for 7 consecutive days, followed by 1 to 4 days off, and where X may be 4 or more depending on the number of crews required for the business operation. It may also



include one or more 40 hour training weeks. These schedules rotate between shifts and average greater than 40 hours per work week. They are also referred to as 28-day or 35-day Rotational schedules.

- (2) Modified 5x8 – A 40 hours per work week schedule in which the employee works 8 hours per day on 5 days of the week, with 2 days of the work week off. Typically, at least three weekend and/or holiday shifts are worked each month.
- (3) 6 x 3 – A schedule in which an employee works 8 hours per day for 6 days, followed by 3 days off. This schedule has a nine week repeat cycle, averages 37.3 hours per work week and may rotate between shifts.
- (4) 4 x 4 – A schedule in which an employee works 12 hours per day for 4 days followed by 4 days off. This schedule has an eight week repeat cycle, may rotate between shifts, and averages 42 hours per work week.
- (5) 2 x 3 – A schedule in which the employee works 12 hours per day for 2 days with 2 days off, works 12 hours per day for 3 days with 2 days off, then works 12 hours per day for 2 days followed by 3 days off. This schedule has a two week repeat cycle and may rotate between shifts. Selectively starting the work week halfway through Saturday results in 42 hours per work week.
- (6) 3 x 3 – A schedule in which an employee works 12 hours per day for 3 days followed by 3 days off. This schedule has a six week repeat cycle, may rotate between shifts, and averages 42 hours per work week.

## E. OVERTIME

### 1. General

Overtime, and the hourly rate to be used for calculating overtime payments, shall be defined as determined in the Section II Definitions. Overtime payments made in accordance with Contractor policies and collective bargaining agreements are allowable to the extent set forth within this Appendix and as may be approved in writing by the Contracting Officer.

The use of overtime should be limited to situations that managers consider to be:

- a. Emergencies,
- b. Safeguarding life and property,
- c. Urgent support of major work, or
- d. Where substantial cost savings to the Government would result.

### 2. Time credited as hours worked for the purposes of calculating overtime include the following:

- a. All time worked,
- b. All paid time off except paid disciplinary furloughs.

### 3. Payment of Overtime for Nonexempt Employees

The Corporate payment practices for overtime worked by nonexempt employees are as follows. Exceptions are allowed for those covered by collective bargaining agreements.

- a. Hours worked or credited as worked in excess of 40 hours in an employee's work week will be paid at 1.5 times the employee's hourly rate.



- b. Hours worked or credited as worked in excess of 60 hours in an employee's work week will be paid at 2.0 times the employee's hourly rate.

The hourly rate paid on any hours worked or credited as worked with respect to overtime, holiday premium and seventh consecutive day worked premium will not exceed 2.0 times the employee's hourly rate.

#### 4. Payment of Overtime for Exempt Employees

- a. Unscheduled overtime which an exempt employee works to accomplish the normal requirements of his/her position is considered casual and is not compensated.
- b. Scheduled overtime will be paid at the employee's straight time rate.
- c. Compensatory time off may be provided in lieu of overtime payment. The compensatory time will expire if not used within 12 months of the overtime worked.
- d. Exempt employees up to and including Level 7 (Advisor and Unit I Manager) in Business and Administrative jobs and up to and including Level 8 (Advisor and Unit I Manager) for all other jobs are eligible to receive overtime.

#### 5. Overtime Reporting and Management

Overtime usage is to be managed in accordance with DEAR 970.5222-2, Overtime Management and Naval Reactors Procurement Memorandum No. 50, Requirements for the Authority, Assignment, and Review of Contractor Overtime.

### F. SPECIAL PAY PROGRAMS

#### 1. Nuclear Operations Program Incentive Pay Program

##### a. Overview

Contractor personnel in certain positions at the Moored Training Ship (MTS) and Kesselring Site Operation (KSO) are required to hold current or previous Engineering Officer of the Watch (EOOW) or other qualifications. The qualification requirements and the positions to which they apply are identified in the Naval Nuclear Propulsion Program Prototype Training Manual; Naval Reactors Procedure F-10, Operations Manual for Naval Reactors Prototypes; and the Engineering Department Manual for MTSS, NAVSEA Procedure (F-10A).

In general, the EOOW qualification requirements consist of approximately six months of academic training at Naval Nuclear Power School, followed by approximately six months of in-plant training on a prototype nuclear plant and formal qualification through written and oral examinations. Additional requirements, consisting of several months of self-study followed by formal qualification through written and oral examinations administered by Contractor, Navy, and Naval Reactors personnel, are imposed on those individuals qualifying as Supervisor of In-hull Training (SIT). Personnel qualifying to the Shift Supervisor (SS) level are also required to complete several months of additional self-study followed by formal qualification through written and oral examinations administered by Contractor and Naval Reactors personnel.

In recognition of the intensive training and extensive experience required of these employees and of the desirability of such individuals to the nuclear industry, the Contractor has established an Incentive Pay Program for personnel required to hold current or previous NOP qualifications.



This Program is designed to foster full prototype staffing with qualified personnel by enabling competitive recruiting efforts, minimizing attrition during initial qualification of Crew Training Engineers (CTEs) and Nuclear Plant Engineers (NPEs), and increasing the retention of EOOW, SIT and SS-qualified employees.

b. Nuclear Operations Program (NOP) Incentive Pay

The NOP Incentive Pay consists of the following categories of pay incentives: a lump sum payment for initial EOOW qualification, monthly incentive pay, annual incentive pay and deferred incentive pay.

(1) Initial EOOW Qualification

An individual shall receive a lump sum payment of \$6,000 and \$4,000 held for deferred payment per III.F.1.b.(4) at MTS, and a lump sum payment of \$10,000 at KSO, upon initial EOOW qualification. The EOOW qualification date becomes the employee's anniversary date for future Program payments.

An individual shall receive incentive payment for EOOW qualification only once. Additional payments for subsequent attainment of EOOW qualifications on other reactor plants shall not be made.

(2) Monthly Incentive Pay

This program applies to KSO only. Eligible individuals at KSO shall receive monthly incentive pay based on the annual rates listed below. The payments will commence at the end of the month following the month of initial EOOW qualification and will be paid one month in arrears on the last payroll date of each month. These payments will be paid at a daily rate based on the number of days in the year.

Category	Annual Rate of Monthly Payments as of 1/1/2012 and thereafter
Currently or previously EOOW Qualified	\$11,000
Currently or previously SS Qualified	\$13,000
Training Manager, Off-Crew Training Manager, Training Improvements Manager, Training Support Manager, Materials Manager and Safety Support Systems Manager Positions	\$15,000
Operations Manager Positions	\$18,000
Plant Manager Positions *	\$22,000
* Effective March 1, 2016 the annual rate of monthly payments for the Plant Manager Positions is \$30,000	

(3) Annual Incentive Pay

Eligible individuals shall receive an annual incentive payment upon each anniversary of their initial EOOW qualification as follows:

Category	MTS Annual Payment	KSO Annual Payment
Currently or previously EOOW Qualified	\$12,000	\$5,000
Currently or previously SIT or SS Qualified	\$15,000	\$6,000



Training Manager, MTS Staff Training Manager, Off-Crew Training Manager, MTS Training Director, MTS Training Improvements Supervisor, KSO Training Improvements Manager, KSO Training Support Manager, KSO Materials Manager and KSO Safety Support Systems Manager Positions	\$17,000	\$6,000
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(4) Deferred Incentive Pay

This program applies to MTS only. The deferred incentive payment is made when an MTS employee who is eligible for NOP incentive pay is permanently assigned to a non-eligible position at MTS or to any position at another Contractor location. The amount of the deferred incentive pay is determined by the amount of time an employee remains in an incentive-eligible position. Each employee is credited with \$4,000 towards the deferred incentive payment upon EOOW qualification and earns another \$4,000 for each year of additional service in an incentive-eligible position up to a maximum of \$28,000. The amount of deferred incentive pay an employee earns will be prorated for partial years of service in an incentive-eligible position. Once an employee earns the maximum deferred incentive pay of \$28,000, an additional \$4,000 per year will be added to the employee's annual incentive payment amount listed in III.F.1.b.(3) above.

If an employee is assigned to a non-eligible position at MTS, the employee will receive deferred incentive payments in the amount equal to their current annual incentive payment on each subsequent anniversary of their initial EOOW qualification until the entire deferred incentive payment described above is paid. If an employee is assigned to a position at any site other than the MTS, the employee is given the option to receive the payment as a single lump sum payment at the time of their transfer. Employees who choose to take the lump sum payment will be subject to repayment in accordance with Section III.A.3 of this Appendix, if they leave the company within 18 months following their effective date of transfer.

Employees, who qualified prior to January 1, 2005, will be credited with \$4,000 for initial EOOW qualification and \$2,000 for each subsequent year for service prior to January 1, 2005. The maximum value credited for initial EOOW qualification and service prior to January 1, 2005, is \$14,000. These employees continue to earn credit towards their deferred incentive pay at the normal rate beginning January 1, 2005.

c. General Provisions

The following provisions apply to all incentive payments associated with the NOP Incentive Pay Program:

- (1) Contractor personnel in positions eligible for management incentive compensation are not eligible for any payments under the NOP Incentive Pay Program.
- (2) The NOP Incentive Pay Program is in addition to other compensation for which affected employees are eligible, including, but not limited to, base pay and base pay adjustments and rotating shift adjustment. The Contractor shall administer the Program in a manner that lends itself to audit. In addition, the Contractor shall submit to the Contracting Officer each October an assessment, including a market analysis, of the Program's effectiveness in reducing attrition of incentive eligible personnel.



- (3) Any individual who remains in a single eligible position for more than three years shall permanently lose his/her eligibility for the payments in this position unless an extension of eligibility is approved by the respective site's Site Director and Site Human Resources Manager. Time spent on special assignment does not count towards the three-year limit for an employee's incentive-eligible position. Extensions beyond three years would be approved to support business needs and formally documented.
- (4) An employee in an eligible position who is placed on special assignment shall not lose eligibility provided that the total duration of the assignment does not exceed six months. If the special assignment will exceed the six-month limit, the individual shall not lose eligibility provided that the assignment during which the six-month limit will be exceeded is approved by the Contracting Officer. Prior Contracting Officer approval must be obtained for any individual to receive incentive payments for more than a lifetime total of two special assignments. Assignments of two weeks or less shall not be considered as special assignments and will count as time in the employee's current incentive pay position.
- (5) EOOW-qualified personnel pursuing CTE, NPE, SIT or SS qualification shall be eligible for incentive pay.
- (6) Currently or previously EOOW-qualified personnel in training for Plant Manager or Operations Manager shall be eligible for incentive payments at the current rate for the highest position previously attained under the NOP incentive pay programs.
- (7) An eligible individual who is transferred from an eligible position to another reactor plant to obtain EOOW qualification in preparation to fill an eligible position on that plant shall remain eligible for incentive pay while pursuing EOOW qualification.
- (8) In the event that an employee changes from one incentive category to another during the period between incentive payments, the amount of the next payment will be calculated by prorating the above specified amounts according to the number of days of the period spent in each category.
- (9) Fractions of the monthly and annual incentive payments commensurate with the number of days spent by an eligible individual since his/her last monthly/annual payment date shall be paid in the following circumstances. For the purposes of calculating partial payments, daily rates will be determined based on the number of days in the year.
  - (a) In the case an individual dies, the payment will be made immediately to his/her estate.
  - (b) In the case an individual is laid off due to a reduction-in-force or is terminated due to a Plant Closing, the payment will be made immediately.
  - (c) The individual loses eligibility due to a transfer initiated by Contractor management for purposes of continued Program effectiveness.

With respect to item (c) above, the fractional monthly incentive payment will be made on the last payroll date of the month following the month of transfer. The fractional annual incentive payment will be made on the individual's next anniversary date.

Employees who lose their eligibility under the circumstance of item (c) above and are subsequently transferred back to an eligible position shall regain eligibility for incentive pay. Their date of transfer back into an eligible position shall be taken as their new anniversary date for subsequent incentive pay purposes.



- (10) The number, amounts and dates of payments to be made to an eligible individual who loses his/her position due to extended ill health or injury or who is absent from work for more than 30 consecutive calendar days shall be determined on a case basis and shall be subject to Contracting Officer approval. The following considerations will be used in making this determination:
  - (a) Whether the individual is scheduled to return to an eligible position.
  - (b) The length of time it will take for the individual to recover.
  - (c) Whether the individual will continue to be employed by the Contractor.
- (11) A staff instructor, who is disqualified but who is recommended for retention and requalification by the Officer in Charge/Plant Manager and subsequently regains qualification in accordance with the Prototype Training Manual, should remain eligible for EOOW incentive payments throughout the requalification process. An employee, who is not recommended for retention due to a violation of the the Contractor's Rules of Conduct or HR policies, shall be removed from an incentive-eligible position and shall receive no prorated payments for time accumulated towards the monthly or annual incentive payment. Likewise, an employee who fails to regain qualification or chooses not to pursue requalification shall receive no prorated monthly or annual incentive payments. An employee who has not violated the the Contractor's Rules of Conduct or HR policies but is not recommended for retention for other performance reasons, shall be eligible for a deferred incentive payment, and prorated payments for time accumulated towards the monthly and annual incentive payment consistent with the method for payments made in circumstance III.F.1.c.(9)(c) above.
- (12) An individual whose employment is terminated by the Contractor for cause shall not be eligible for any annual or deferred incentive payments, but shall receive the monthly incentive payment due for the previous month.
- (13) An eligible individual who voluntarily terminates prior to his/her anniversary date shall receive no prorated payments for time accumulated towards the annual or deferred incentive payment, but shall receive the monthly incentive payment due for the month previous to their resignation. Personal Time Off or holiday time due shall not extend an individual's termination date in order to receive any incentive payments.
- (14) The Contractor shall not withhold incentive pay under this Program as a disciplinary measure.
- (15) The Contracting Officer may modify or discontinue the NOP Incentive Pay Program at any time by providing appropriate notice. The implementation date of the revised incentive pay program described herein is January 1, 2012.

## 2. Rotating Shift Adjustment

A Rotating Shift Adjustment of 26% of monthly base pay will be paid to Engineering Officer of the Watch (EOOW)-qualified employees while working on an established rotating shift, and to other exempt employees assigned to a rotating shift while in an in-hull phase of EOOW qualification.

Employees receiving the rotating shift adjustment will not be eligible for shift differential premiums, pay for the extra day worked each shift cycle or pay for overtime worked within their regular schedule.



### 3. Refueling Engineer (RE) Incentive Pay Program

#### a. Overview

Personnel in certain positions at the NRF are required to hold current RE qualifications. The qualification requirements and the positions to which they apply are identified in the Manual for the Control of Refueling (MCR), NAVSEA 0989-018-1000.

The Shift Refueling Engineer (SRE) formal qualification requirements take an average of nine months to complete. These requirements consist of formal classroom training and self-study followed by a comprehensive written examination averaging four hours in duration. This is followed by several months of Under Instruction training conducting actual Refueling Operations. The qualification is finalized by successful completion of an oral examination administered by Contractor and NR personnel.

Employees in the positions of Assistant Chief Refueling Engineer (ACRE) and Chief Refueling Engineer (CRE) require a separate CRE qualification. The ACRE/CRE position is an advanced position beyond that of SRE. Employees in the ACRE/CRE position are required to demonstrate a higher level of knowledge and supervisory skills than the basic SRE qualification and successfully complete an additional oral examination administered by Contractor and NR personnel.

The CRE has specific and additional authority and responsibility for the safe and effective conduct of refueling work at NRF. The CRE is an appointed position and is the highest level of authority for refueling matters for the Contractor.

In recognition of the intensive training and extensive experience required of these employees, the Contractor has established an Incentive Pay Program for personnel required to hold current SRE and CRE qualifications. This Program is designed to foster and maintain full staffing with qualified personnel by improving recruiting efforts, reducing attrition during initial qualification, and increasing the retention and experience level of qualified employees.

#### b. Refueling Engineer Incentive Pay

Under the RE Incentive Pay Program, lump sum payments are made according to the schedule below:

Category	Amount
Upon initial SRE qualification	\$5,000
Upon initial CRE qualification	\$6,000

The employee shall also receive an annual incentive payment as listed below, on each anniversary of the initial SRE qualification, as long as the employee maintains the qualification and position requiring it. Payments will be prorated based upon the applicable number of days before and after the implementation date of this revised annual incentive pay.

Category	Annual Payment prior to 1/1/2012	Annual Payment as of 1/1/2012 and thereafter
SRE	\$6,000	\$6,000
ACRE	\$8,000	\$8,000
CRE	\$8,000	\$9,000



In addition to the annual payment, the employee shall receive an incentive payment as listed below, after completion of a two-year period, and biennially thereafter, as long as the employee maintains the qualification and position requiring it. Payments will be prorated based upon the applicable number of days before and after the implementation date of this revised biennial incentive pay.

Category	Biennial Payment prior to 1/1/2012	Biennial Payment as of 1/1/2012 and thereafter
SRE	\$6,000	\$6,000
ACRE	\$8,000	\$8,000
CRE	\$8,000	\$9,000

c. General Provisions

The following provisions apply to all incentive payments associated with the RE Incentive Pay Program:

- (1) The RE Incentive Pay Program is in addition to other compensation for which affected employees are eligible including, but not limited to, base pay and base pay adjustments, overtime and shift differential premiums. The Contractor shall administer the Program and maintain records of payments made under the Program in a manner that lends itself to audit. In addition, the Contractor shall biennially submit to the Contracting Officer an assessment, including a market analysis, of the Program's effectiveness in reducing attrition of incentive eligible personnel.
- (2) An employee who is not recommended for retention shall be removed from an incentive-eligible position and shall receive no prorated incentive payments. Likewise, an employee who fails to regain qualification or chooses not to pursue requalification shall receive no incentive payments.
- (3) In the event that an employee changes from one incentive category to another during the period between incentive payments, the amount of the next payment will be calculated by prorating the preceding specified amounts according to the number of days of the period spent in each category.
- (4) Fractions of the annual and biennial incentive payments commensurate with the number of days spent by an eligible individual since the last anniversary date shall be paid if the individual loses eligibility because of a transfer initiated by the Contractor management for purposes of continued Program effectiveness.
- (5) An eligible individual who voluntarily terminates, or is terminated for cause, prior to his/her anniversary/biennial date shall receive no prorated payments for time accumulated. Personal Time Off or holiday time due shall not extend an individual's termination date in order to receive incentive pay.
- (6) The number, amounts and dates of payments to be made to an eligible individual who loses his/her position because of extended ill health or injury shall be determined on a case basis and shall be subject to Contracting Officer approval. The following considerations will be used in making this determination:
  - (a) Whether the individual is scheduled to return to an eligible position.
  - (b) The length of time it will take for the individual to recover.



(c) Whether the individual will continue to be employed by the Contractor.

(7) The Contracting Officer may modify or discontinue the RE Incentive Pay Program at any time by providing appropriate notice.

#### 4. Bettis Reactor Engineering School (BRES) Instructor Fee

The BRES is a 24-week school that provides advanced nuclear engineering education for NR Program personnel. Two sessions are conducted yearly to present a highly coordinated, rigorous curriculum of 12 nuclear, mechanical and electrical engineering courses designed to teach the theoretical principles and advanced applications relevant to the design, analysis, testing and operation of a naval nuclear propulsion plant. The curriculum is designed to enable participants to work more effectively in multi-disciplinary efforts or manage technical programs that span several technologies in the NR Program.

The majority of the BRES course work is presented by volunteer part-time instructors who work full time in technical organizations other than the BRES. The volunteer instructors' duties may include designing a course, preparing course notes and lectures, preparing training aids, mentoring students during the course, and preparing and grading homework and exams. Class lectures, materials and exams are updated each session to assure that the technical content remains current and that the integrity of the examinations is not compromised. These duties are of a different nature and beyond that which is performed as part of the employee's regularly assigned engineering and scientific duties.

Part time instructors perform their BRES duties in addition to their existing job duties. Consequently, the part-time instructors receive compensation for these services in the form of an "Instructor Fee," paid on a monthly basis. The BRES part-time instructor fee compensates this effort at a rate of 2.25 hours of straight time for each hour of lecture time and 1.00 hours of straight time for each hour of lecture time for apprentice part-time instructors.

#### 5. Reactor Plant Contractors' Office (RPCO) Incentive Pay Program

##### a. Overview

Prime Contractor Personnel at the RPCO sites are required to hold one or more qualifications as Joint Test Group (JTG), Joint Refueling Group (JRG) or Joint Installation Group (JIG) representatives. Prime Contractor personnel at the NRF site are required to hold one or more qualifications related to fuel handling operations. In recognition of the intensive training and extensive experience required for each of these qualifications, an Incentive Pay Program (IPP) has been established for individuals who achieve, maintain and apply these qualifications in support of Naval Nuclear Propulsion Program work.

##### b. Provisions

The RPCO IPP consists of the following lump sum payments:

PAYMENT TYPE	AMOUNT
<b>Initial Qualification</b> - incentive paid at the time of the initial JTG/JRG/JIG/NRF RPCO qualification.	\$4,000
<b>Annual Qualification</b> – incentive paid for maintaining and utilizing a JTG/JRG/JIG/NRF RPCO qualification. Payment is made annually in the month following the qualification anniversary date.	\$4,000



<b>Annual Multiple Qualification</b> - incentive paid for maintaining and utilizing two or more JTG/JRG/JIG/NRF RPCO qualifications. Payment is made annually in the month following the anniversary date of the second qualification.	\$1,000
<b>Deferred Incentive Pay</b> – available to each engineer and engineering manager to accept a non-eligible position in the Naval Reactors Program. Payment is made in the month following assumption of the non-eligible position.	Equal to \$5,000 for each full year of JTG/JRG/JIG/NRF RPCO qualification up to a maximum of \$15,000 for an individual employee.

The number, amount and dates of payments to be made to an eligible employee who loses his/her position due to illness or injury shall be determined on a case basis and shall be approved by Human Resources. The following considerations will be used when making this determination:

- (1) Whether or not the individual is scheduled to return to an eligible position.
- (2) The length of time it will take the individual to recover.
- (3) Whether or not the individual will continue to be employed by the Contractor.

Costs associated with this RPCO IPP will be forecasted, approved and managed separate from the Salary Increase Fund.

Deferred incentive pay paid to an employee will be subject to repayment in accordance with Section III.A.3 of this Appendix, if the employee leaves the company within 18 months of completion of their assignment.

#### 6. Executive and Incentive Compensation Plan (EICP)

Payments based on performance and the criteria identified in the Contractor's EICP are made annually to selected Contractor employees under the Contractor's EICP subject to Contracting Officer approval. The eligible population will include full-time executive and all other line management salaried employees. The GM may, at his/her discretion, recommend other direct reports that are not line managers to participate in incentive compensation (e.g., individuals in a transition position). The recommended incentive awards will be subject to approval by the President, Bechtel Systems and Infrastructure, Inc. (BSII).

Incentive Compensation awards must be based on objective written criteria, established annually before services are rendered, which are relevant to individual performance under this contract and measure performance in accomplishing Program objectives. This information will be made available upon request by the Contracting Officer. In addition to the requirements of this Section; Incentive Compensation payments are subject to the requirements of Section III.C.2.e.

Funding for the incentive awards will be shared between the Government and the Contractor. Each year, based on the gross annual payroll as defined below, as of December 31<sup>st</sup> of the preceding year, the incentive budget will be established as a percent of payroll in the order of 0.35%, shared equally by the Government and the Contractor. The balance of the incentive fund not allocated to Executives will be allocated to managers below General Manager staff level.



The gross annual payroll, referenced above, will be developed based on the following:

- Inclusion of the Gross W-2 Earnings and Imputed Income (Group Term Life);
- Exclusion of the Incentive Compensation, Deferred Compensation Payments, Miscellaneous Bechtel funded items, Bechtel funded gross-up (moving expenses), and Separation Allowance.

The limitation for the portion of an individual employee's EICP which is funded by the Government is defined in the Contractor's EICP listed in Schedule I of this Appendix A shall be no more than 33% of the employee's annual base compensation. In extraordinary circumstances with the approval of the Contracting Officer, the 33% limitation may be exceeded. It is agreed that this annual limitation on reimbursement will remain in effect for the term of the contract, unless revised by mutual agreement as a result of significant change in the Plan or its administration. Reimbursement with respect to payments made for performance applicable to any year, a portion of which falls within the term of this contract, shall be pro-rated on the basis of the number of months in such year actually within such term.

The Contractor shall submit for Contracting Officer approval the distribution of the Government's share of the Contractor's EICP. The Contractor also shall provide the Contracting Officer with an accounting by participant of the distribution of the Contractor's share of the Contractor's EICP. For purposes of pension benefit calculations, the Contractor's EICP compensation payments are considered pensionable earnings consistent with plan terms independent of its source (Government or Contractor share of the EICP) in both the Bettis and KAPL qualified and non-qualified pension plans.

## **7. Section Deleted**

### **G. MISCELLANEOUS**

#### **1. Overtime Expenses**

Anytime an NRF employee (not at work) is called in to work by management, with less than sixteen (16) hours notice and drives his or her own personal vehicle, the employee will be paid the Company mileage rate in existence at that time for round trip mileage from the established Company mileage table. Employee travel time for call ins is not considered official business or hours worked, except as required by law.

#### **2. Nonexempt Employee Call Ins**

- a. Nonexempt employees who are called in outside of their regularly scheduled work hours will be paid for at least four hours.
- b. Section deleted.
- c. An employee called in to work hours adjoining his/her regular shift will be paid for actual hours worked.
- d. Overtime rates shall apply to these payments if the employee has qualified for overtime in accordance with the provisions of Section III.E.

#### **3. Payment in Lieu of Notice**

It is the Contractor's practice to give a maximum of four (4) weeks notice to all employees whose services are no longer required. In the event that the services of an employee cannot be productively utilized during the period of notice, or if his/her presence on the project during



the notice period is not desired, the cost of the employee's salary at his/her base pay for the notice period, including the period after his/her release, shall be allowable. The Contracting Officer shall be notified, in writing, of all such cases. This provision does not apply when an employee is terminated for work rule violations, misconduct or failure to successfully complete a Performance Improvement Plan.

4. Deferred Compensation Plan for Selected Contractor Employees

This Plan offers selected Contractor employees the option of deferring a portion of their salary or incentive compensation for distribution at a later date. Individuals eligible to participate in this Plan are nominated by the GM and approved by the Contractor's Board of Directors. Prior to each Plan year, participants select the amount or percentage of their base pay and incentive compensation that is to be placed into an individual account, as well as the date when the funds will be distributed and the method of payment (lump sum or annual installments). The Plan offers several different investment options, and participants can designate the amount of their deferred income to be placed in each option. The Deferred Compensation Plan is maintained as a Non-qualified Plan under ERISA. All record keeping and trust management functions are handled through third party administrators. Record keeping and trust management fees will be reimbursable up to an established ceiling of \$50,000 per year in Fiscal Year 2009. Each fiscal year thereafter, the ceiling will be adjusted by a percentage equivalent to the increase in the Consumer Price Index.

Individuals who are eligible to participate in this Plan and who are not eligible to participate in a Contractor sponsored defined benefit pension plan (either the Pension Plan for Eligible Bettis Employees and Retirees or the Salaried Employee Pension Plan for KAPL Employees and Retirees) will also receive a company contribution. The details of this plan are contained in the Plan Document. The application of this paragraph is subject to NRLFO:MGR-15-080.

5. Other Separation Allowances

The Contractor may provide a Separation Allowance when release of an employee is in the interest of the company and the individual has executed a written release. This provision does not apply to a severance situation or if the employee is eligible for Retirement. A Separation Allowance is not to exceed one week's pay for each completed year of service. The separation payment will be paid to the employee in a lump sum at the time of his/her termination with the understanding that the employee who accepts such payments breaks his/her continuity of service with the company. Understanding and acceptance of this condition by the employee will be evidenced by their signature on a Waiver of Claim document. Payments to the Contractor's employees in accordance with this provision must be separately approved by the Contracting Officer to be allowable. If an employee subsequently returns to service, previously paid Separations Allowance may be recovered.

6. A paid meal break, not to exceed 30 minutes, is allowable for employees assigned to work schedules or operations that require the employee to remain on station or at the ready for emergency response throughout the meal period. A paid meal break of 25 minutes is also allowable for NRF employees who are regularly assigned to work the night shifts on Standard Work Schedules.

H. MEDICAL DISQUALIFICATION OF MEMBERS OF THE CONTRACTOR'S PROTECTIVE FORCE

The Contractor will provide medical removal protection benefits as described in and in accordance with 10 CFR Parts 1046.14(b) and (c).



Members of the Contractor Protective Force, who are determined by a Contractor designated physician to be no longer physically qualified to perform their duties within the Protective Force and have exhausted the medical removal protection benefits prescribed by 10 CFR Part 1046.14, if applicable, will have the option to take another job at the site or voluntarily separate from service with the Contractor and receive a separation payment. These options are discussed as option 1 or 2 below. This provision applies to all Contractor Protective Force Security Police Officers who must maintain a physical qualification to perform their assigned duties.

#### Option 1

Medically disqualified members of the Contractor Protective Force will have an opportunity to move into another position at the site provided there is a vacancy, and either they qualify for the vacant position at the time of their medical disqualification or they are actively pursuing additional training to qualify for another position at the site. Under this option, the displaced employee would move to the new position at their day rate of pay at the time of the medical disqualification or the maximum pay rate of the new position, whichever is less. Should the position be within another bargaining unit that does not represent members of the Contractor Protective Force, the labor agreement will dictate the person's rate of pay.

Under this option, the employee would no longer be a member of the Contractor Protective Force, and therefore, any benefits afforded only to the Contractor Protective Force would be forfeited.

#### Option 2

Medically disqualified members of the Contractor Protective Force will be eligible to participate in the THE CONTRACTOR Medical Disqualification Disability Pay Plan. Provisions of this Plan are defined in the Plan Document and Summary Plan Description, which is incorporated by reference into this Appendix A.

### I. ABSENCES FOR EMPLOYEES NOT COVERED BY COLLECTIVE BARGAINING AGREEMENTS

The costs incurred for authorized employee absences in accordance with the following guidelines are allowable:

1. The Contractor Paid Time Off Program consists of two banks, a Personal Time Off Bank and a Medical Time Off Bank.
  - a. Employees are expected to notify management in advance, whenever possible, of intentions to take time off and to obtain prior management agreement so as to ensure the business needs are met.
  - b. Absences are debited from either bank to the nearest one-hour for exempt employees and to the nearest 1/10<sup>th</sup> hour for nonexempt employees.
  - c. Subject to site specific business needs and with management approval, employees can make up absences within the same work week provided making up that time does not require the payment of overtime. Absences which are not made up in the same week will be charged to PeTO, MTO or other approved absence category, as appropriate.
  - d. Personal Time Off (PeTO) Bank
    - (1) This bank includes time for employee vacation and personal business related absences.
    - (2) Personal Time Off Schedules:



- (a) Schedule A - Bettis employees with original hire dates prior to February 1, 2000 and KAPL employees active on December 31, 2000 who elected to remain on the vacation schedule that allowed a maximum of 6 weeks vacation.
- (b) Schedule B - Bettis employees with original hire dates on or after February 1, 2000 or those hired prior to this date who irrevocably selected the vacation schedule that allowed a maximum of 5 weeks vacation; and KAPL employees with original hire dates after December 31, 2000 or those hired prior to this date who irrevocably selected the vacation schedule that allowed a maximum of 5 weeks vacation.
- (c) Schedule C - Contractor employees with original hire dates on or after January 1, 2012 or those hired prior to this date who irrevocably selected this schedule.

<b>Years of Total Employment Service *</b>	<b>Annual Personal Time Off Eligibility (Hours) Effective Date of 1/1/2012</b>		
	<b>Schedule A</b>	<b>Schedule B</b>	<b>Schedule C</b>
Upon hire	N/A	N/A	120
On or after 3 months	N/A	80	120
On or after 3 years	N/A	80	160
On or after 5 years	N/A	120	160
On or after 7 years	120	120	160
On or after 12 years	120	160	160
On or after 15 years	160	160	200
On or after 20 years	200	200	200
On or after 30 years	240	200	200
<b>* Subject to I.1.d(3)</b>			

- (3) Employees on Schedule C with original hire dates on or after January 1, 2012 will have their PeTO bank credited with 40 hours on their first day of employment. Employees hired prior to January 1, 2012, who irrevocably selected Schedule C, will have their PeTO bank credited with one third of their Schedule C annual eligibility amount on their first day of the 2012 calendar year as an active employee. Four months thereafter, employees on Schedule C will begin to accrue on a pro rata basis each payroll period PeTO at a rate commensurate with their annual eligibility. On the payroll date immediately following a service anniversary date when an employee becomes eligible for additional PeTO, their accrual rate will increase accordingly.

Employees on PeTO Schedule A or B will have their entire annual eligibility amount credited to their PeTO bank on their first day of the calendar year as an active employee, until they separate from service. On the payroll date immediately following a service anniversary date when they become eligible for additional PeTO, they will be granted the additional hours.

- (4) Management may request individuals to waive PeTO due them when business conditions make it necessary. In such cases, the GM, in accordance with established



Contractor policy, may approve PeTO carry over in excess of that stated in I.1.d.(5)(a). Employees must schedule and use excess carry over PeTO not later than 12 months after GM approval. Excess carry over PeTO that is not used within 12 months after approval is forfeited with no further right to carry over or reimbursement by the government. The Contractor will issue to the government a report of all approved excess carry over no later than January 15<sup>th</sup> each year.

(5) Unless otherwise required by law,

- (a) Employees on PeTO Schedule C may carry over into the next calendar year unused PeTO equal to their annual eligibility amount for the current year. Employees on PeTO Schedule A or B may carry over into the next calendar year a maximum of 80 hours of unused PeTO.
  - (b) The GM, Kesselring Site Director, Naval Reactors Facility Director, and Nuclear Power Training Unit – Charleston Technical Director may carry over into the next calendar year a maximum of 240 hours of unused PeTO.
- (6) Employees will be paid for the unused PeTO bank balance upon separation from employment at the hourly equivalent pay rate the employee earned on the last day of employment.
- (7) With management approval, employees may be granted unpaid absence if the balance in their PeTO bank is 40 hours or less.
- (8) Employees may donate available PeTO to a single employee, or a central bank. Human Resources must approve applications to receive donated PeTO. Administration of the Personal Time Off Donation Program will be in accordance with established Contractor policy.
- (9) Employees covered by collective bargaining agreements will be eligible for personal time off in accordance with the appropriate agreement as listed in this Appendix.

e. Medical Time Off (MTO) Bank

- (1) This bank includes time for; illness or medical appointments for self or immediate family members; for the birth, placement or adoption of a child.
- (2) The MTO bank of each employee with an original hire date on or after January 1, 2012 bank will be credited with 40 hours of MTO on their first day of employment. Incumbent employee's MTO banks will be credited on January 1, 2012 with 8 hours of time for every full year of service, with a minimum of 40 hours up to a maximum of 120 hours.
- (3) All employees will accrue on a pro rata basis each payroll period a total of 40 hours of MTO annually.
- (4) Accrued MTO may be carried forward into the next calendar year, but the maximum MTO bank balance is limited to 120 hours at any time.
- (5) Employees will not be paid for any unused MTO bank balance upon separation from employment.
- (6) Employees covered by collective bargaining agreements will be eligible for medical time off in accordance with the appropriate agreement as listed in this Appendix.



## 2. Holidays

- a. Ten paid holidays (80 hours) will be observed at the Contractor's locations. The Contracting Officer will be notified of the days selected.
- b. Employees assigned to locations other than Pittsburgh or Schenectady areas may observe different holiday schedules as determined by management to best serve the needs of that location, but will be paid for no more than ten holidays (80 hours). The Contracting Officer will be notified of each schedule that differs from the Pittsburgh and Schenectady schedule, and of any changes to those schedules.
- c. At locations with scheduled plant closures or work groups with continuous process operations, or to accommodate a Nuclear Power School class schedule, all holidays may be designated as floating holidays available for the employee to observe anytime during the calendar year with management approval. Employees terminating employment will not be reimbursed for unused holidays.

Employees who have used more than the number of regularly scheduled holidays when they are transferred off of a rotating shift will be required to debit their personal time off bank or take unpaid time off for upcoming regularly scheduled holidays.

- d. Holidays which are designated shutdown days will be granted on that day unless one of the exceptions defined above occurs. Floating holiday hours for non-designated holidays will be granted on January 1<sup>st</sup> of each year.
- e. Employees covered by collective bargaining agreements will be eligible for holidays in accordance with the appropriate agreement as listed in this Appendix.

## 3. Administrative Time Off

Administrative time off includes involuntary paid time off and other types of approved unpaid time off. These absences are not debited from either the PeTO or MTO banks.

### a. Paid Time Off

- (1) For serving as a juror, or as a witness if required to do so by subpoena and the employee has no personal involvement in the case. Personal involvement includes, but is not limited to, serving as a plaintiff, defendant, other party having an interest in the case, or as a professional witness. Nominal jurist or witness fees for such duties shall not be credited to this contract. For employees whose established schedule would have qualified for shift differential at the time of service, the additional cost of the applicable shift differential shall also be allowable.
- (2) For Military Time Off or Military Leaves of Absence, pursuant to the military duty provisions as specified elsewhere in this Appendix.
- (3) By management direction for large portions of the employee population such as site closing due to inclement weather or utility failure affecting a site or location or similar situations.
- (4) By management direction, and in accordance with NRLFO approved Contractor policies full or partial paid time off for an individual, such as for a security or HR investigation; time for radioactive isotope decay after a medical procedure; or for company



compliance with statutory or regulatory requirements.

- (5) For certain disciplinary actions.
- (6) For compensatory time that is provided in lieu of overtime payment.
- (7) Up to three days per occurrence (maximum of 6 days per annum) for bereavement of an immediate family member to make necessary funeral arrangements, or tend to other matters related to the death which cannot be taken care of outside normal work hours.

b. Unpaid Time Off:

- (1) For absences under the Family Medical Leave Act where not covered by other paid time off programs.
- (2) For leaves of absence other than paid military leaves of absence.
- (3) At employee request with management approval.
- (4) For planned site closings, such as the NRF holiday furlough where not covered by other paid time off programs.
- (5) For certain disciplinary actions.

c. Administrative absences for represented employees will be paid or unpaid in accordance with the appropriate agreement as listed in this Appendix.

4. Extended Salary Payments

Except as specified in Section III.H, employees who become disabled will be eligible to receive their full base salary or a reduced base salary under the Extended Salary Payments program for up to 26 weeks from their first day absent (reduced base salary payments equal to 60% of an employee's full base salary with a maximum of \$1,000 per week). An employee unable to return to work after the 26 week period may become eligible for Long Term Disability (LTD) benefits described in Section V of this Appendix A. An employee may receive no more than 26 weeks of company paid Extended Salary Payments for a singular extended illness event. Continuation of Extended Salary Payments is subject to review and approval by a Disability Case Manager (DCM), contracted by the Contractor to provide disability absence review services and ensure employees return to work as soon as it is safe to do so. The costs for the DCM and Extended Salary Payments are allowable as outlined below:

- a. An employee absent for greater than 40 contiguous scheduled work hours becomes eligible for Extended Salary Payments. The first 40 hours of absence are debited from the MTO or PeTO bank. If no time remains in either bank, the absence for this time will be unpaid.
- b. Subject to review by the DCM, full base pay Extended Salary Payments shall continue for the following periods:
  - (1) Contractor employees with original hire dates on or after January 1, 2012 – nine (9) weeks after the first day absent.
  - (2) Bettis and KAPL employees with original hire dates prior to January 1, 2012 – after the first day absent, the number of weeks based on their years of Total Employment Service, as indicated in the table below. Service beyond January 1, 2012 will not result in additional weeks of Extended Salary Payments.



- c. Subject to review by the DCM, reduced base pay payments may continue from the date that full base pay Extended Salary Payments end, through the end of the 26 week Extended Salary Payment period.
- d. Where Worker's Compensation payments are being received, the amount of the Extended Salary Payments shall be reduced by the amount of such Worker's Compensation.
- e. Employees receiving Extended Salary Payments continue to earn Total Employment Service.

Total Employment Service as of January 1, 2012 in Years	Weeks for Contractor Employees with Original Hire Dates Prior to January 1, 2012 (Frozen at Current Year of Tenure)	
	KAPL	Bettis
<1	9	9
1	10	9
2	10	9
3	11	9
4	11	9
5	12	9
6	13	9
7	13	9
8	14	9
9	14	9
10	15	13
11	16	13
12	16	13
13	17	13
14	17	13
15	18	17
16	19	17
17	20	17
18	22	17
19	23	17
20	24	21
21	25	21
22	26	21
23	26	21
24	26	21
25 or greater	26	26

5. Absences for Employees Who Continue to be Disabled after the End of the Extended Salary Payment Period

Except as specified in Section III.H, employees who continue to be disabled after the end of the 26 week Extended Salary Payment period will no longer earn Total Employment Service. Such employees will continue on the rolls of the Contractor until two years after the first day absent. Employer subsidies for benefits continuation will end after the second Calendar Year after the first day absent or on first day Medicare eligible (whichever is earlier) and is subject to the terms of the plans. At the end of the two year period, the employee will be terminated from the Contractor's rolls.

6. Military Service

Any employee submitting proof of having been called for military duty will be granted Military Absence (MA) if the time away from work will be 30 calendar days or less, or a Military Leave of Absence (MLOA) if the time away from work will be more than 30 calendar days. MLOA administration will be through a third party administrator, with those costs reimbursable.



- a. The effect of MA or MLOA on an employee's participation in the Contractor's Benefit Plans is as follows:
  - (1) All Health, Life and Disability Benefit Plans in effect prior to the MA or MLOA may continue. For plans requiring an employee contribution, coverage will continue only if the employee makes the appropriate payments.
  - (2) For MLOA, the employee may discontinue personal coverage for healthcare, vision and dental insurance, while continuing dependent coverage under these plans.
  - (3) For MA, employees may continue to make retirement plan contributions through payroll deduction. In addition, contributions required by the Contractor will also continue. For MLOA, all Contractor contributions to retirement plans will stop with the exception of those required under the Bechtel NR Program Capital Accumulation Plan. When the employee returns to work, he/she will have the option of making up the missed contributions and earning the benefits associated with those contributions.
- b. MA and MLOA continue to earn Total Employment Service during the entire period of the absence due to military service.
- c. Continuing Pay During MA or MLOA:
  - (1) Contractor pay received while on military duty will be reduced by the amount of total military income received, excluding subsistence, housing, and uniform allowances and reimbursements for travel.
  - (2) The pay differential of employees on MA will be continued for up to 120 hours of time off due to military duty within a single fiscal year. In unusual circumstances and with the approval of the Chief Human Resources Officer or the Total Rewards Manager, this period can be extended to 160 hours. In cases where an absence of less than 30 days is required in preparation for a MLOA, such absences will not count against the 160 hour limit.
  - (3) The pay differential of employees on MLOA will be continued for the entire period of that absence. The length of MLOA is subject to the limitation of the Uniformed Services Employment and Reemployment Rights Act.

## 7. Personal Leaves of Absence

- a. Employees may request or be placed on unpaid Personal Leaves of Absence at the discretion of management. Such leaves may be granted for a minimum of 30 calendar days and a maximum of one calendar year. Leaves of absence for greater than one calendar year will be considered on a case basis and are subject to approval by the Contracting Officer. Continuation of benefits during the period of the leave will end after one year and be subject to the terms of the plans, but employees will not earn Total Employment Service. An unpaid Leave of Absence is not considered a termination of employment.
- b. Employees who request unpaid Leaves of Absence must state the reason for requesting the leave but approval of the request will be subject to the discretion of management.
- c. Personal leave of absence administration will be handled by a third party with those costs reimbursable.

## 8. Family and Medical Leave Act (FMLA), Uniformed Services Employment and Reemployment Rights Act (USERRA), and Related State Law Absences



- a. The Contractor will administer FMLA, USERRA, or related State Laws regarding leaves of absence in compliance with appropriate laws.
- b. These absences are administered through a third party with those costs reimbursable.

9. Paid Time Off for Part-Time Regular Employees

- a. Medical Time Off accrual will be prorated based on the percent of a 40 hour schedule that the employee is regularly scheduled to work.
- b. An employee will be eligible for prorated paid holiday time, which may be taken as floating holiday time, based on the percent of a 40 hour schedule that the employee is regularly scheduled to work.
- c. Managers may approve paid administrative time off for the number of hours that fall on a regularly scheduled day.
- d. Part-time Regular Employees are not eligible to earn or accrue Personal Time Off (PeTO) and will be eligible for PeTO upon return as a Full-time Regular Employee subject to the following:
  - (1) Employees on PeTO Schedule A or B will be granted PeTO for which they are eligible, prorated as determined by the date of the calendar year that they return to full time status.
  - (2) Employees on PeTO Schedule C will resume PeTO accrual at a rate commensurate with their annual eligibility.
  - (3) Part-time Regular Employees electing PeTO Schedule C, who were part-time prior to January 1, 2012, and who return to full time status after January 1, 2012 will have their PeTO bank credited with one third of their Schedule C annual eligibility on their first day of return to full-time status. Four months thereafter, the employee will begin to accrue PeTO as outlined in Section III.I.1.d(3) of this Appendix A.
- e. Except as specified in Section III.I.9.f below, Part-Time Regular Employees are not eligible for Extended Salary Payments and are eligible to receive Short Term Disability payments only as required by law. These payments are subject to review and approval by the Contractor's Disability Case Manager.
- f. KAPL employees in a Part-time Regular Employee status on December 31, 2011 and who remain in that Part Time status will be eligible to receive Extended Salary Payments as in Section III.I.4 at a reduced rate as determined by the percent of a 40 hour schedule that they are regularly scheduled to work. This grandfathered group of KAPL Part-time employees will lose eligibility for extended salary payments if they discontinue part time status after 12/31/11 and thereafter will be treated the same as all other Contractor part-time employees per Section III.I.9.e above.



## IV. TRAVEL, RELOCATION, AND TEMPORARY ASSIGNMENTS

### A. TRAVEL

#### 1. Travel Within the United States

The reasonable cost of transportation, daily meal, lodging, and incidental expenses incurred while employees are on travel under this contract will be considered allowable to the extent that these costs are consistent with the provisions of DEAR Part 970 and the Federal Travel Regulation (FTR), 41 Code of Federal Regulation (CFR), Chapters 300 through 304. This allowability will be subject to the following considerations:

##### a. Transportation

- (1) Allowable costs for air travel will be limited to the lowest available airfare. To the extent reasonable, the Contractor will make use of commercial discount airfares, Government discount airfares extended to cost reimbursable Contractors, and customary standard commercial airfares. First class air travel will only be used when other less expensive accommodations are not reasonably available to meet the necessary duty requirements. Such accommodations are considered "not reasonably available" when they would:
  - (a) Require circuitous routing.
  - (b) Require travel during unreasonable hours.
  - (c) Offer accommodations which are not reasonably adequate for the physical or medical needs of the traveler.
  - (d) Are not reasonably available to meet necessary mission requirements.
- (2) For non-local automobile travel, GSA cars should be used when available. When not available, allowable costs for the rental of automobiles shall be limited to the cost of compact automobiles whenever practical.
- (3) The allowance for an employee on official travel who uses a privately owned automobile for the employee's own convenience in lieu of commercial transportation shall not exceed round-trip coach airfare. In such instances, reimbursement for any additional living expenses will be limited to the allowance provided by Section IV.A.1.b.(2) of this Appendix A.
- (4) Allowable costs for rail travel will be actual expenditures for the lowest first class sleeping accommodations available, including the cost of accommodations in excess of roomette fares when no roomettes are available.

##### b. Living Costs

- (1) In addition to expenses incurred for telephone calls made by an employee for official business purposes, the following telephone expenses shall also be allowable:
  - (a) Change in itinerary.
  - (b) Family illness.



- (c) Safe arrival.
- (d) Brief family calls.
- (2) One extra day of expenses for lodging, meals, and a predetermined amount for other related travel expenses will be allowed when an employee's travel plans, which deviate from normally anticipated travel arrangements, result in transportation costs being reduced by more than the amount of the expenses incurred for the one extra day. In the event that two extra days are required to achieve material cost savings, appropriate Financial Services management approval of the travel authorization is required.
- (3) (a) In special or unusual situations as identified in the Federal Travel Regulations or policy as approved, Contractor employees may be paid for actual expenses in excess of the above maximum per diem rates provided such payments do not exceed the higher amounts authorized for Federal civilian employees in the regulations referenced above and provided that the condition warranting approval is documented and approved by an appropriate member of the Contractor's organization.
- (b) Special or unusual circumstances in which employees may be reimbursed for expenses in excess of the maximum per diem rates include:
  - (i) Travel with other Government or Prime Contractor personnel who secured lodging that does not meet the per diem rates, whereby equal or greater car rental cost savings are achieved.
  - (ii) When hotels within the per diem are located in an unsafe area, and only lodging in a hotel with rates in excess of the per diem, will ensure an employee's safety.
- (4) If the Contractor finds it necessary to exercise the authority to use a higher actual expense method repetitively or on a continuing basis and other than for those special or unusual circumstances described in (3)(b) above, prior approval of the Contracting Officer is required.

## B. RELOCATION

1. Relocation expenses are costs incident to the permanent change of duty assignment (for an indefinite period or for a stated period of not less than 12 months) of an existing employee or upon recruitment of a new employee.

However, the expenses associated with the sale and/or purchase of a house will not be permitted for new employees or employees hired from another Bechtel location outside of the Naval Nuclear Propulsion Program unless approved in advance by the Contracting Officer.

2. The following types of costs are allowable as noted, subject to provisions of Sections IV.B.3 and IV.B.4:
  - (a) Costs of travel of the employee and Authorized Dependents in accordance with Section IV.A. of this Appendix A.



- (b) Costs of transportation of household and personal effects to the new location.
- (c) Cost of finding a new home, such as advance trips by employees and spouses to locate quarters and temporary lodging during the transition periods in accordance with Section IV.A. of this Appendix A, not exceeding separate cumulative totals of 60 days for employees and 45 day for spouses and dependents, including advance trip time. A rental car may be authorized by the Chief Human Resources Officer or the Total Rewards Manager for house hunting trips and during periods of temporary living. Documentation must be obtained to support actual receipts for hotels and rental cars. Documentation must also be obtained for incidental expenses in excess of \$75.
- (d) If an employee precedes his/her family to the new location, a reasonable number of home leave visits will be granted during the period of temporary living, and the employee will be permitted to return to his/her original location to relocate his/her family.
- (e) Closing costs (i.e., brokerage fees, legal fees, appraisal fees, points, finance charges, etc.) incident to the disposition of an actual residence owned by the employee when notified of transfer, provided that closing costs when added to the continuing costs described in subparagraph (h) below shall not exceed 14% of the sales price of the property sold.
- (f) Other necessary and reasonable miscellaneous expenses incident to relocation, such as disconnecting and connecting household appliances; automobile registration; drivers license and use taxes; cutting and fitting rugs, draperies, and curtains; forfeited utility fees and deposits; and purchase of insurance against damage to or loss of personal property while in transit.
- (g) Costs incident to the acquisition of a home in a new location, except that these costs will not be allowable for existing employees who prior to the relocation were not homeowners and the total costs shall not exceed 5% of the purchase price of the new home.
- (h) Continuing costs of ownership of the vacant former actual residence being sold such as maintenance of building and grounds (exclusive of fixing up expenses), utilities, taxes, property insurance, mortgage interest, etc., after settlement date or lease date of new permanent residence, provided that when added to the closing costs described in subparagraph (e) above, the costs shall not exceed 14% of the sales price of the property sold.
- (i) Mortgage interest differential payments, except that these costs are not allowable for existing employees who prior to the relocation were not homeowners, and the total payments are limited to an amount determined as follows:
  - (1) Difference between the mortgage interest rates of the old and new residence times the current balance of the old mortgage times three years.
  - (2) When mortgage interest differential payments are made on a lump sum basis and the employee leaves or is transferred again in less than three years, the amount initially recognized shall be proportionately adjusted to reflect payments only for the actual time of the relocation.
- (j) Cost of canceling an unexpired lease.



- (k) The cost of temporarily storing household furnishings and other personal property for a period not to exceed 90 days. This will include charges to place items into storage and remove these items from storage and transport to the place of residence.
- (l) For purposes of this policy, employees permanently relocating who own a home will have a six-month period from the effective date of the transfer in which to sell and buy houses, except where circumstances warrant the period may be extended with the approval of the General Manager.
- (m) Payments for increased employee income or Federal Insurance Contributions Act (social security taxes) taxes incident to allowable reimbursed relocation costs.
- (n) Payments for spouse employment assistance.
- (o) The costs described above must also meet the following criteria to be considered allowable:
  - (1) The move is for the benefit of the Government.
  - (2) Reimbursement must be in accordance with an established policy or practice and program that is consistently followed and is designed to motivate employees to relocate promptly and economically.
  - (3) Amounts to be reimbursed do not exceed the employee's actual expenses, except that for miscellaneous costs of the type discussed in subparagraph (f) above, a flat amount, not to exceed \$5,000, may be paid in lieu of actual costs.

3. The following types of costs are not allowable:

- a. Loss on sale of a home.
- b. Continuing mortgage principal payments on residence being sold.
- c. Cost incident to the acquisition of a home in a new location as follows:
  - (1) Real estate brokers' fees and commissions.
  - (2) Costs of litigation.
  - (3) Real and personal property insurance against damage or loss of property.
  - (4) Mortgage life insurance.
  - (5) Owner's title policy insurance when such insurance was not previously carried by the employees on the old residence (however, costs of a mortgage title policy is allowable).
  - (6) Property taxes and operating or maintenance costs.
- d. Costs incident to furnishing equity or non-equity loans to employees or making arrangements with lenders for employees to obtain lower-than-market rate mortgage loans.



4. Relocation costs reimbursed under Section IV.B.2 will be subject to repayment in accordance with Section III.A.3 of this Appendix, if the employee leaves the company within 12 months following their effective date of transfer or payroll start date, or within 18 months for Crew Training Engineers (CTE) and Nuclear Plant Engineers (NPE).
5. An independent firm will provide relocation services for all employees. A change in service provider or an increase of 10% or greater in total service costs of the signed provider agreement must have Contracting Officer approval.
6. Upon termination or expiration of this contract, Contractor employees (excluding employees working at the Contractor's Pittsburgh, Idaho, Charleston, West Milton and Schenectady locations) shall be permitted to return to their place of origin. Costs incurred by the Contractor to relocate these employees shall be allowable under this contract.

If an employee elects to return to a point other than the place of origin, costs incurred by the Contractor in relocation of the employee shall be allowable, provided that such costs do not exceed that which would have been incurred had the employee returned to the place of origin.

7. Transferred employees who incur expenses due to special circumstances may have these expenses reimbursed with prior Contracting Officer approval.

#### C. DOMESTIC TEMPORARY ASSIGNMENTS

Domestic temporary assignments are in compliance with both the Federal and DOE Travel Guidelines.

The policy for reimbursing employees for expenses incurred when assigned to work locations other than their normal work locations, where a temporary assignment is in the best interests of the government and the NNPP to meet programmatic needs will be established by the Contractor on an individual basis. Such policy shall attempt to keep the employee reasonably whole in connection with the acceptance of such an assignment.

1. 12 months or less. If the temporary assignment is expected to last 12 months or less, the following items are allowable:
  - (a) Transportation cost for the individual to and from the new location.
  - (b) Transportation of necessary household goods and personal belongings to and from the new location.
  - (c) Lodging, meals, laundry, phone calls, and other necessary expenses.
  - (d) A reasonable number of home leave visits.
  - (e) Mileage reimbursement for the employee to drive his/her personal automobile to the new location or use of a rental vehicle while in that location.
  - (f) An employee's family may visit him in lieu of the home leave visits, but the cost cannot exceed what would otherwise have been spent for the employee to take the home leave visit(s).
2. 13 months to three years. If the temporary assignment is expected to last for a period of more than 12 months, but not for more than three years, the following provisions will apply:



- (a) The employee will be provided with a monthly rent allowance not to exceed \$1,600 to cover reasonable and actual rental costs in the new location. If the employee owns or rents a home in the original location, it is expected that the employee will attempt to rent the vacated house. This allowance will be reduced by the difference, if any, between the monthly rental income and the monthly mortgage payment.
  - (b) Some of the factors that will be used to determine reasonable monthly rental costs will include marital status of the employee and the size of the employee's family.
  - (c) Allowable relocation costs for the employee are itemized in Section IV.B., except that they do not include those costs relating to the sale of a home. The cost of storing household goods and personal belongings may be permitted for the entire period of the temporary assignment if a cost analysis indicates that storage is no more costly than shipping the household goods and personal belongings to and from the new location.
3. Completion of Assignment. When an employee completes a temporary assignment and returns to his/her prior work location, travel, and moving expenses shall be paid.

#### D. HAWAII ASSIGNMENTS

1. Employees transferred to or from Hawaii for more than six months are entitled to those applicable relocation benefits provided under the policy as outlined in Section IV.B. of this Appendix A.
2. A cost-of-living allowance will be paid to employees who are assigned to Hawaii for more than six months. This allowance will become effective when the employee reports for duty at the work site and will terminate at the close of business on the last day of the duty assignment.

The Chief Human Resources Officer or Total Rewards Manager will annually review the cost-of-living allowance to determine the need for adjustment upward or downward. The cost-of-living allowance will be approved by the Contracting Officer.

3. Two years after arrival, an employee will be eligible to take a home leave vacation to the mainland. From that date, subsequent eligibility will occur biennially. Travel expenses will be paid for the employee and his/her family to a mutually agreed upon mainland location, normally the location of relatives of the employee or his/her spouse.

#### E. SAN DIEGO ASSIGNMENTS

A cost-of-living allowance will be paid to employees who are assigned to San Diego, California, for a stated period of not less than 12 months. The allowance will become effective when the employee reports for duty at the work site and will terminate at the close of business on the last day of the duty assignment.

The Chief Human Resources Officer or Total Rewards Manager will annually review the cost-of-living allowance to determine the need for adjustment upward or downward. The cost-of-living allowance will be approved by the Contracting Officer.

#### F. INTERNATIONAL TEMPORARY ASSIGNMENTS

International temporary assignments will be approved in advance by the Government and are in compliance with both the Federal and DOE Travel Guidelines.



Costs incurred in connection with international temporary assignments will be reimbursable to the contractor only to the extent that they do not exceed the maximum rates in effect during the assignment as set forth in the applicable guidance:

1. Federal Travel Regulations for the conterminous 48 United States;
2. Department of Defense Joint Travel Regulations applicable to civilian personnel for Alaska, Hawaii, the Commonwealth of Puerto Rico, and the territories and possessions of the United States;
3. Department of State Joint Travel Regulations for Per Diem rates for areas not covered in (1) or (2) above; or
4. Local market rates for allowances, as determined by a third party provider considered as reasonable and customary for items not covered in (1), (2), or (3) above and approved by the Contracting Officer.

In special or unusual circumstances the Contractor will be reimbursed for actual expenses in excess of the above referenced maximum rates, provided such payments do not exceed the higher amounts authorized for Federal civilian employees as permitted by the methods referenced in (1), (2), (3), and (4) above, and one or more of the following conditions are met:

1. The employee's international temporary assignment or travel while on an international temporary assignment requires procurement of pre-arranged housing or meals in excess of the per diems;
2. Subsistence costs have temporarily escalated for a short period of time in the location during a special function or event (e.g., seasonal rates);
3. Affordable housing accommodations are not available or cannot be obtained within a reasonable commuting distance to the employee's assignment duty point;
4. The employee, because of special duties of the assignment, necessarily incurs unusually high expenses in the conduct of official business;
5. Specific actions are taken to ensure the safety of travelers.

For these higher amounts to be reimbursed, all of the following conditions shall be met:

1. A written justification for use of the higher amounts must be approved by the Contracting Officer;
2. Documentation to support actual costs incurred shall be in accordance with the Contractor's established practices and a receipt provided for each expenditure consistent with the domestic living expenses.

Relocation costs reimbursed to the employee will be subject to repayment in accordance with Section III.A.3 of this Appendix, if employee leaves the company within 12 months following completion of their international assignment. The Contractor will refund such relocation costs to the Government. However, those employees who are eligible for retirement per the Contractor's benefits plan upon repatriation will be able to retire within 12 months of completion of their international temporary assignment with prior Chief Human Resources Officer approval without incurring relocation repayment costs.

Travel costs associated with international assignments will be managed separately from the travel forecasting and budgeting process. All compensation, except base pay in US dollars, for employees on international assignments will be forecasted, approved, and managed separately from the Salary Increase Fund.



Employees not covered by a SOFA providing tax exemption will be tax equalized against excess income taxes and legally required taxes. Thus, paying no more and/or no less taxes than normally would be paid if they were on US Assignment.

**Allowances and Premiums:**

<b>Temporary International Assignment Allowances and Premium Payments</b>	<b>UK Amount</b>
Premium - a percentage incentive to each employee who accepts a temporary international assignment calculated on their base pay.	15%
Relocation Allowance - provided to those employees who accept a temporary assignment greater than 180 days in duration to cover miscellaneous moving expenses.	\$5,000
Housing/Utility Allowance - is authorized per Sections 130 - 137 of the Department of State Standard Regulations (DSSR), based on assignment (duty station) location and status. Per diem will be provided in cases where no housing allowance is authorized. Receipts are required.	Up to USDoS – See Note 1.
Goods & Services Allowance - is authorized per Sections DSSR 220-229.	USDoS -- See Note 1.
Education Allowance - based on DSSR Sections 270-277 for grades K - 12. Receipts are required -- Note 2.	Up to USDoS – See Note 1.
Vehicle/Public Transportation Allowance - annual amount based on receipts while on assignment.	Up to \$15,000 annually
Home Maintenance Allowance –based on receipts for care of property while on assignment.	Up to \$2,400 annually
Home Owner's Insurance for vacant state-side property - An allowance of up to \$1,200 annually to cover increased home insurance costs incurred by the employee who maintains a vacant residence while on an international assignment. Receipts are required.	Up to \$1,200 annually
Dependent Visits	Family visit in lieu of home visit allowed provided the cost does not exceed that of the employee returning home.
Pre-departure and Settling-In Expenses - not to exceed US Department of State (USDoS) Chapter 925 Per Diem Supplement to Standardized Regulations rates for Assignment (duty station) location. Based on receipts.	Up to per diem in USDoS--See Note 1. Pre-departure - up to 10 days. Settling in - up to 20 days.



Shipment of Household Goods - based upon the assignment type, status, and location, shipment and storage will not exceed the limits shown. This will allow for the shipment of furniture for unfurnished residences to minimize Furniture Rental costs (DSSR 131.2) as part of the Housing Allowance.	Up to: Air freight - 1,000 lbs. Surface freight - 4500 lbs. less air freight amount not to exceed 20 ft. container. Storage - 14,000 lbs.
Home Leave - for LTA the employee and any authorized dependents are allowed one (1) trip annually. For STA, unaccompanied status, as determined by assignment, up to once per quarter.	LTA - 1x Annually STA - Up to once per quarter.

**Notes:**

- 1) Allowances/rates are determined by the assignment (duty station) location of the employee, if applicable. If that city is not listed then the "Other" category will be used to determine the allowance rates.
- 2) Allowances will be determined using US Department of State (USDoS) for "Away-From-Post" rates. If SOFA applies then "At-Post" rates will be used.

**G. KAPL NUCLEAR OPERATIONS PROGRAM TEMPORARY ASSIGNMENTS**

The policy for reimbursing employees for expenses incurred when assigned to the NOP where a temporary assignment is in the best interests of the Government and the NNPP to meet programmatic needs will be established by the Contractor. These NOP temporary assignments are twelve months or less.

1. For KAPL employees who are maintaining an apartment or house, follow Section IV.C.1.
2. For KAPL employees who are not maintaining an apartment or house the following are allowable. These expenses are in addition to reimbursement allowed under Section IV.B for the employee to complete their relocation following completion of their NOP temporary assignments.
  - a. Costs of travel of the employee and Authorized Dependents in accordance with Section IV.A of this Appendix to and from the assignment location.
  - b. Costs of transportation of household goods and personal belongings to and from the assignment location.
  - c. Temporary living during the transition period while awaiting arrival of household goods in accordance Section IV.A of this Appendix, not exceeding separate accumulative totals of 30 days. A rental car may also be authorized while awaiting arrival of a personal vehicle. Documentation must be obtained to support actual receipts for hotels and rental cars. Documentation must also be obtained for incidental expenses exceeding \$75.
  - d. The cost of temporarily storing household furnishings and other personal property for a period not to exceed 60 days. This will include charges to place items into storage and remove these items from storage and transport to the place of residence.
  - e. Cost of canceling an unexpired lease.



- f. Except as allowable under Section IV.G.2.a., the employee will live in an apartment at the employee's expense at the temporary assignment location and no additional lodging or meal costs will be charged to this contract.
- g. Reimbursements for travel, transportation, and movement of household goods and personal property associated with these temporary assignments will be subject to repayment in accordance with Section III.A.3 of this Appendix, if employee leaves the company within 18 months following their effective date of each transfer.

#### H. JAPAN TEMPORARY ASSIGNMENTS

The parameters for reimbursing employees for expenses for more than thirty days, but less than 12 months will be established by the Contractor on an individual basis, subject to the limitations below.

1. For temporary assignments expected to last 12 months or less, the following items are allowable:
  - (a) Transportation: Transportation cost for the employee to and from the new location.
  - (b) Shipment of Personal Effects: Transportation of necessary personal belongings to and from the new location.
  - (c) Per Diem Rates: Actual lodging based on receipts up to USDoS rates. Meals, laundry, phone calls, and other necessary expenses will be reimbursed at USDoS rates. (Allowances/rates are determined by the assignment (duty station) location of the employee, if applicable. If that city is not listed then the "Other" category will be used to determine the allowance rates.)
  - (d) Premium Pay: 15% premium pay for Japan assignments of greater than 30 days.
  - (e) Public Transportation Allowance: A \$400 per month public transportation allowance.
  - (f) Home Maintenance Allowance: A \$200 per month allowance for those assignments greater than 30 days. Receipts are required.
  - (g) Home Leave: Once every 60 days for tours in excess of 120 days.
  - (h) Dependent Visits: An employee's family may visit, in lieu of the home leave visits, but the cost cannot exceed what would otherwise have been spent for the employee to take the home leave visit.
  - (i) Home Owner's Insurance for Vacant State-Side Property: An allowance of up to \$1,200 annually to cover increased home insurance costs incurred by the employee who maintains a vacant residence while on an international assignment. Receipts are required.
2. Upon completion of a Japan temporary assignment, reasonable travel and moving expenses shall be paid to return the employee to their next programmatic assignment.



## **V. EMPLOYEE HEALTH AND WELFARE BENEFITS, RETIREMENT PLANS AND OTHER PROGRAMS**

### **A. DOE ORDER 350.1**

The Contractor will comply with the Contractor Requirements Document provided in applicable sections of DOE Order 350.1. By September 1 of each year, the Contractor will submit a cost trend analysis for all Health and Welfare Programs, Unpaid and Paid Time Off Programs, Benefit Plan Designs, Wellness initiatives, and other related benefit plan issues. A cost containment strategy will be provided for any program for which costs have increased by 10% in a single year (15% for health care).

### **B. BENEFIT COSTS**

The cost of claims, insurance premiums, company contributions and administrative costs, required to provide benefits described in this Section V are allowable costs under this Contract unless otherwise stated. Employee contributions, where required by the plan, will be used to offset the cost of the benefit plans. The amount of the employee share for plans requiring a contribution is based on a target amount that is approved by the Contracting Officer. Reasonable costs incurred by the Contractor for welfare benefit programs required by collective bargaining agreements as listed in Section VI of this Appendix A are allowable. The terms and conditions of these benefit plans are described and printed in benefit plan documents referenced in Schedule I of this Appendix.

### **C. HEALTH AND WELFARE BENEFITS**

Coverage for the following health and welfare benefit plans are provided through either a self insured or fully insured funding arrangement, or through an administrative service agreement, with third party providers named by the Contractor. Those companies are responsible for providing administration and making claim determinations in accordance with the terms of the Plan Documents. Full-Time Regular and Part-Time Regular employees are eligible to participate in health and welfare benefits, except where noted below, although specific details about eligibility and benefits payable under each category are described in the applicable documents listed in Schedule I.

1. **Contract Termination:** In the event of contract termination or expiration (1) without a follow-on contract or (2) with a follow-on contract without a post-contract health and welfare benefit program for which the Department of Energy has a continuing benefit obligation, the outgoing Contractor shall continue as Plan Sponsor and administrator of existing health and welfare benefit programs unless the Department determines that it is not in the best interest of the Government.

In accordance with the DOE approved Contractor benefit plans, the outgoing Contractor shall provide benefit continuation on a funding basis acceptable to the Department. Arrangements may include: (1) a lump sum payment to the outgoing Contractor, (2) paying a third party such as an insurer to guarantee benefit payments, (3) continuing benefit payment obligations on a pay-as-you go basis, or (4) a combination thereof.

2. **Health Care/Prescription Drug Benefits** – This plan provides health care and prescription drug benefits to employees and their dependents. These benefits are provided through either insured or self-insured arrangements with third party vendors. Employees may choose to cover themselves and eligible dependents under this plan, and they share in its cost. Certain displaced workers have special rules for contributions under a DOE continuation program, as described below. If an employee elects not to be covered by



health care, the employee may be eligible to receive an opt-out payment, provided the employee is not covered as a dependent of a Contractor or a BPML employee. Effective January 1, 2016, the opt-out credit is only available to represented employees where provided for within a collective bargaining agreement. Contractor employees who elect to have Health Savings Account (HSA) deductions taken from their pay will be eligible for an annual company HSA contribution.

- a. Unless provisions in collective bargaining agreements state otherwise, health and dental costs for employees who were on the Contractor's rolls as of September 27, 1991 and who have been involuntarily separated from employment subsequent to September 27, 1991, in connection with a work force reduction resulting from the downsizing of national defense activities will be reimbursable from the date of separation provided the employee was:

- (1) Enrolled for medical insurance coverage under the Contractor's Plan at the time of separation from employment.
- (2) Not eligible for coverage under another employer's group Health Plan or under Medicare since the date of separation.

Continued coverage after separation requires that the displaced worker make the following contributions, in addition to meeting conditions (1) and (2) above:

First year – The current active employees' contribution rate.

Second year – 50% of the current COBRA premium rates.

Third and subsequent years – 100% of the current COBRA premium rates.

The premium rates shall be determined by the Contractor in accordance with the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), as amended. The premium rate is equal to 100% of the group cost of coverage, plus any additional amounts allowed by law. The Contractor will give displaced employees who are eligible for benefits provided in the DOE Plan the opportunity to select between the benefits under the DOE Plan or the benefits offered as part of the Contractor's Benefits Plan.

The extended Medical Benefits Program described above will be administered according to the implementation guidance contained in the August 1992, "Report to the Secretary of Energy," by the Task Force on Displaced Worker Health Benefits and Monitoring. Applicable modifications to the DOE policy will apply if deemed appropriate by the Contracting Officer.

3. Vision Care Benefits – This plan provides vision care benefits to employees and their dependents. These benefits are provided through insured arrangements with third party providers. Employees may choose to cover themselves and eligible dependents under this plan and they may share in its cost.
4. Employee Assistance Program (EAP) – This Program provides assistance to employees and their dependents in dealing with personal problems. This program is provided through a service agreement with a third party vendor. Employees and their eligible dependents are covered by this benefit automatically with the cost paid entirely by the Contractor
5. Dental Benefits – This plan provides dental care benefits to employees and their dependents. These benefits are provided through either an insured or self-insured arrangement with a third party vendor. Employees may choose to cover themselves and



eligible dependents under this plan and they may share in its cost. Certain displaced workers have special rules for contributions, as described under health care, above.

6. Health Care and Dependent Care Flexible Spending Accounts – This Program allows employees to place pre-tax dollars into an account which can be used to pay expenses not covered under company provided benefits. Administration of these accounts is handled through a service contract with a third party provider, who will track employee contributions and issue reimbursements for approved expenses. Consistent with IRS guidelines, employee contributions that are not reimbursed by the end of the plan year will be used to pay administrative costs of this Plan. Employees may choose to cover themselves and eligible dependents under this plan and the accounts are fully funded by employee contributions.
7. Wellness Programs – These programs offer employees a way to enhance their understanding of how to increase their personal wellness and provide training and/or activities that facilitate wellness improvement efforts. These programs are voluntary and are provided using Contractor administered programs or through arrangements with third party vendors. Employees may be provided with a financial incentive to participate in wellness programs designed to enhance the health and wellness of employees.
8. Life and Accident Insurance Benefits

The following benefits are provided through insurance contracts with third party providers:

- a. Basic Life/Accidental Death and Dismemberment Insurance Benefit – This plan pays benefits in the event of an employee's death or serious injury. Employees are automatically enrolled in this plan with the cost paid entirely by the Contractor.
- b. Travel Accident Insurance – This plan pays benefits in the event of an employee's death or serious injury while traveling on company business. Employees are automatically enrolled in this plan with the cost paid entirely by the Contractor.
- c. Supplementary Life Insurance – This plan pays benefits in the event of an employee's death or serious injury. It is a voluntary life insurance plan that is available only to Bettis employees who were continuously enrolled in the plan since 1991. Enrolled employees may disenroll in the plan but no new employees can enroll in the plan and employees share in its cost.
- d. Group Universal Life Insurance – This plan pays benefits in the event of an employee's and/or a dependent's death or serious injury and it also offers a savings feature. Participation is voluntary, employees can choose the level of coverage, and employees pay the entire cost of insurance premium.
- e. Dependent Life Insurance – This plan provides benefits in the event of an eligible dependent's death. Participation is voluntary, employees can choose the level of coverage, and employees pay the entire cost of the insurance premium.
- f. Personal Accident Insurance – This plan provides benefits in the event of an employee's or an eligible dependent's death or serious injury. Participation is voluntary, employees can choose the level of coverage and employees pay the entire cost of the insurance premium.
- g. Other Voluntary Benefits – Effective January 1, 2016, employees may choose to participate in other voluntary benefit programs (e.g., critical care insurance; home/auto



insurance, etc.), paid for through payroll deduction, with employees paying the full cost of those programs.

- h. **Special Accident Insurance** – This plan provides benefits, in the event of death or serious injury, for employees while on submarines, aircraft carriers, or other combat vessels or any vessel equipped with ballistic missiles including certain tender ships except when the vessels are in dry dock or on the ship ways. Employees are automatically enrolled in this plan and the Contractor pays the entire cost of the insurance premium.
- 9. **Long-Term Care Insurance** – This plan provides benefits in the event of an employee or an eligible dependent's use of long term care services. It is provided through an insurance contract with a third party provider. Participation is voluntary, employees can choose the level of coverage and employees pay the entire cost of the insurance premium.
- 10. **Long-Term Disability Benefit** – This plan provides partial salary replacement for employees who are unable to work due to a disabling illness or injury after 26 weeks of continuous absence, when Extended Salary Payments or Short Term Disability Payments end. It is provided through an insurance contract with a third party provider. Participation is voluntary, employees can choose the level of coverage and employees pay the entire cost of the insurance premium.

#### D. OTHER BENEFIT PLANS

- 1. **Employee Mutual Fund Purchase Plan**– This plan offers employees the opportunity to purchase shares in a mutual fund at market value through a brokerage account. It is administered through a third party provider and a licensed stockbroker. Participation is voluntary, employees can choose their level of participation and there are no company contributions.
- 2. **Severance Benefits** – There are two plans that offer severance benefits to Contractor employees. However, in addition to these two plans, KAPL union represented employees have similar types of Job and Income Security benefits, including income extension payments and retraining benefits, incorporated into their contracts.
  - a. **Employee Security and Protection Plan/Involuntary Separation Plan** – These plans provide benefits to Contractor employees at the Bettis Atomic Power Laboratory in participating bargaining units, in the event that an employee is laid off or permanently job separated from the Contractor. It is generally administered by Contractor personnel although third party vendors may be used for certain aspects of the plan such as outplacement counseling. Employees are automatically enrolled in this plan and the Contractor pays its entire cost only when a layoff or separation event occurs. Termination of the contract which results in the termination of all represented employees at the location with no offer of employment by a successor Contractor will be regarded as a location closedown under the Employee Security and Protection Plan.
  - b. **Separation Program** – This plan provides benefits to non-union Contractor employees and any union represented employees who accept the program. Employees on the active rolls with at least six months of service are entitled to two weeks of base pay in the event that they are permanently job separated from the Contractor through no fault of their own. Employees who sign a release of claims form may be entitled to up to 26 weeks of base pay, based on their full years of service. Additional limitations and conditions are defined in the Severance Plans. Employees are automatically enrolled in



the plan and the Contractor pays the entire cost of the plan only when a separation event occurs.

3. Benefits for Furloughed Employees - Only to the extent funds have been obligated on the contracts, furloughed employees will continue to be eligible for the same benefit programs as employees not on furlough. Furloughed employees will continue making required contributions for benefits through payroll deduction, direct billing, or retroactive payments after return to work. In addition, furloughed employees will continue to earn employment service.

## E. PENSION AND RETIREMENT PLANS

### 1. Pension Plans

- a. The Contractor provides three qualified defined benefit pension plans for its employees and retirees, including:
  - (1) Pension Plan for Eligible Bettis Employees and Retirees – employees hired or rehired prior to February 1, 2009 are eligible to participate in this Plan. Eligible employees must contribute in order to earn a benefit.
  - (2) Salaried Employee Pension Plan for KAPL Employees and Retirees - employees hired or rehired prior to January 1, 2007 are eligible to participate in this Plan. No employee contributions are required to earn a benefit.
  - (3) Pension Plan for KAPL Employees in Participating Bargaining Units – KAPL union represented employees are eligible to participate in this Plan. No employee contributions are required to earn a benefit.
- b. Company contributions to the pension plans will be based on actuarial analysis and approved by the Contracting Officer. Such contributions are allowable.
- c. The terms and conditions of those plans are described in the Summary Plan Descriptions listed in Schedule I of this Appendix A. Any revision or modification thereof which alters the assets, liabilities, or funding requirements for the Plan shall be subject to the approval of the Contracting Officer.
- d. The Contractor is responsible for the pension liability of active Bettis employees, as well as Bettis retirees with retirement dates on or after January 1, 1988, and former employees who terminated on or after January 1, 1988.
- e. The Contractor is responsible for the pension liability of active KAPL employees, as well as KAPL retirees with retirement dates on or after April 5, 1993, and former employees who terminated on or after April 5, 1993.
- f. Pension Plan administration, actuarial services, trust management, fund management, asset distribution, and audit tasks are handled through third parties.
- g. The Contractor will submit to the Contracting Officer reports as required by DOE Order 350.1 such as the annual actuarial valuation reports prepared by its actuarial consultant and IRS Forms 5500 with schedules as submitted to the IRS and any other pension data related to the Plan which the Department may request from time to time. The actuarial reports for the Plans shall include as a minimum a simulated funding standard



account, gain/loss analysis, itemization of amortization basis by source, and amortization schedules.

h. Contract Termination

- (1) In the event of completion of this contract or termination of the performance of the work there under in whole or substantial part, and in the absence of a successor Contractor, the Plans shall be terminated in accordance with the provisions of ERISA, the IRS, and DOE Order 350.1. Annuity purchase bids will be solicited from a minimum of five of the ten largest insurance companies whose AM Best rating is A+ and which are currently quoting Pension Plan termination annuities. After all obligations for all liabilities of the Plan have been fully funded, as well as any related tax liability of the Corporation, any remaining assets shall be returned to the Department. If the assets are insufficient to cover pension obligations, the Department shall provide additional funding to cover such obligations.
- (2) If this contract terminates or expires and there is a successor Contractor, all assets and liabilities of the Plans shall transfer to the successor Contractor and the Contractor shall be indemnified by the Department against any and all liabilities arising from the Plans.
- (3) Under any scenario described above, the Contractor shall continue to actively manage all Plans assets until the date of settlement. Such management shall include protection of principal, if appropriate.

2. Bechtel NR Program Savings Plan

- a. All Contractor employees will be offered the opportunity to participate in a defined contribution plan immediately upon employment. The terms and conditions of the Bechtel NR Program Savings Plan are described in the Summary Plan Description listed in Schedule I of this Appendix A.
- b. Savings Plan administration, trust management, fund management and audit tasks are handled through third parties.
- c. The Contractor will submit copies of IRS Form 5500 with schedules as submitted to the IRS and other financial or accounting reports developed or required in connection with the Savings Plan.
- d. Upon Contract termination, individual employee accounts in the Savings Plan will be handled in accordance with the provisions of ERISA.

3. Bechtel NR Program Capital Accumulation Plan

- a. Certain Contractor employees who are not eligible to participate in one of the defined benefit pension plans described in V.E.1.a will participate in the Bechtel NR Program Capital Accumulation Plan, a Defined Contribution Plan, immediately upon employment. The terms and conditions of this plan are described in the Summary Plan Description listed in Schedule I of this Appendix A.
- b. Savings Plan administration, trust management, fund management and audit tasks are handled through third parties.



- c. The Contractor will submit copies of IRS Form 5500 with schedules as submitted to the IRS and other financial or accounting reports developed or required in connection with the Plan.
  - d. Upon Contract termination, individual employee accounts in the Plan will be handled in accordance with the provisions of ERISA.
4. Nonqualified Pension Plans - The Contractor maintains several nonqualified pension plans for designated employees, which provide those individuals with pension amounts in excess of those provided by the qualified pension plans. These plans include the following:
- a. Plans for designated Bettis employees:
    - (1) Executive Pension Plan for Designated Bettis Employees – This plan was frozen effective March 31, 2006.
    - (2) Supplemental Pension Plan for Designated Bettis Employees – This plan was effective April 1, 2006.
  - b. Plans for designated KAPL employees:
    - (1) Supplemental Retirement Plan for Designated Employees – The specific employees eligible for this plan are documented in the Plan Document. No additional employees will become eligible to participate.
    - (2) Supplemental Pension Plan for Eligible Former Employees of General Electric - The specific employees eligible for this plan are documented in the Plan Document. No additional employees will become eligible to participate.

Administration, actuarial work and audit services for these Plans are administered through third parties. Specific details of these Plans are contained in the Plan Documents. Benefits paid under these Plans are funded on a pay as you go basis. Any revision or modification thereof which alters the provisions of the Plans shall be subject to the approval of the Contracting Officer.

#### F. OTHER POST-RETIREMENT BENEFIT PLANS

- 1. Employees who retire may continue benefit coverage for themselves and their eligible dependents through either COBRA or company continuation if they have 10 or more years of Total Employment Service as described in the appropriate documents listed in schedule I of this Appendix A. These plans are provided through self-insured or fully insured funding arrangements or service agreements with third parties, and administration of retiree benefit plans is handled through vendors. Retirees share the cost of these Plans through pension payment deductions or direct bill payments. The amount of the employee share for plans requiring a contribution is based on a target amount that is approved by the Contracting Officer. Non-represented employees who were hired or rehired at KAPL on or after January 1, 2007, or non-represented employees who were hired or rehired at Bettis on or after February 1, 2009, are eligible for retiree benefits but must pay the full cost of those benefits. Represented employees who have the provision in their collective bargaining agreements are eligible for retiree benefits and pay the costs as stipulated therein.

#### 2. Contract Transition

Depending on the situation, the following procedures shall apply:



- a. No Replacement Contractor. In the event the Contract(s) expire(s) or is/are terminated with no Replacement Contractor, the outgoing Contractor shall continue as Plan sponsor and administrator of existing Benefit Programs unless the DOE determines that it is not in the best interest of the Government.

In accordance with the DOE approved Contractor Benefit Plans, the outgoing Contractor shall provide benefit continuation on a funding basis acceptable to the parties. Negotiated arrangements may include: (1) a lump sum payment by the DOE to the outgoing Contractor, (2) paying a third party such as an insurer with DOE funds to guarantee benefit payments, (3) continuing benefit payment obligations on a pay-as-you-go basis with DOE funds, or (4) a combination thereof.

- b. Replacement Contractor Situation. When there is a Replacement Contractor, the existing Contractor shall assist in the necessary arrangements for the Replacement Contractor to assume the postretirement benefits liabilities for all active, retired, and service eligible former employees.
- c. For purposes of this section, the post-retirement benefits liability shall be determined by the Contractor's actuary in accordance with the principles and methods of FAS 106, and assumptions appropriate as the date of the contract transition, jointly agreed upon by the Contractor and the DOE.

#### G. LEGALLY REQUIRED BENEFIT PLANS

1. Costs incurred by the Contractor for employee benefits required by applicable statute, such as but not limited to workers' compensation, unemployment compensation, etc., are allowable to the extent required for Contractor employees.
2. The cost of administering unemployment insurance claims through a third party vendor is an allowable expense under this contract.

#### H. DUPLICATION OF BENEFITS

No benefits shall be reimbursed for Contractor employees or retirees which duplicate benefits received by those individuals by virtue of their being former employees of GE or any other preceding contractor.

#### I. COLLEGE INTERNSHIP PROGRAM BENEFITS

To supplement the entry-level candidate pool, the Contractor has established a college internship program. Benefits provided under this program include:

1. A stipend of \$1,800, established for 2012 and henceforth indexed annually to the Consumer Price Index – Urban (U), will be paid after the first month of employment to interns who have a permanent address and college address at least 50 miles from their internship location.
2. Holiday pay for Contractor designated holidays that occur on a day the intern is scheduled to work.

#### J. EMPLOYEE MORALE PROGRAMS

The Contractor annually budgets a sum of money to be used for employee morale-building purposes. The employee activities selected for these purposes shall be at the discretion of the



Manager, HR at each site, and include, but are not limited to, items such as health and fitness activities and company sponsored sports teams. Indirect costs in connection with these activities are also reimbursable under this Contract, but they are not chargeable to this morale fund. The amount to be allocated for these purposes is to be determined by the GM or his/her designated representative. The limit on reimbursability per fiscal year for approved expenditures shall be \$15 per employee on the roll on September 30 of the preceding fiscal year. Communications costs are recognized as morale activities, but they are not chargeable to this morale fund.

#### K. FOOD SERVICE

The Contractor provides cafeterias and vending machines on its premises to provide food services to its employees. The Contractor will make reasonable efforts to recover the cost of operating such food services through income from these activities which will be credited to this Contract.

The Contractor will not operate any cafeteria/canteen/vending services for the benefit of any Contractor employee or Contractor employee association.

#### L. WORK AND PROTECTIVE CLOTHING

The costs of providing work and protective clothing and protective and safety devices to Laboratory employees for use in accordance with provisions in collective bargaining agreements, approved procedures, or as prescribed by law or regulation, are allowable.

The Contractor will provide safety shoes to employees whose work exposes them to potential foot injuries due to job hazards. Employees whose work requires protection from electrical hazards will be provided with a special type of safety shoe designed to protect the wearer against that danger. The Contractor will purchase safety shoes for only those employees required to wear them, as determined and documented by a Workplace Hazard Assessment. The purchase price of safety shoes, including shoes designed to protect against electrical hazards should not exceed \$ 100. Footwear shall be replaced no more frequently than every 18 months, unless otherwise approved by the employee's immediate Manager.

#### M. DAMAGE TO PERSONAL PROPERTY

Damage sustained to an employee's motor vehicle on a NR Program DOE site, through no fault of their own, will be processed through the NRLFO-approved Contractor insurance program. Any reimbursement will be made in accordance with the terms of the applicable insurance policy.

Personal items rendered unserviceable in the course of employment under the contract as a result of an accident or other uncontrollable occurrence are reimbursed to employees only upon approval by Risk Management at fair market value. The Claim shall be substantiated and no part of the loss shall be caused by negligent or wrongful acts of the claimant. Claims that exceed \$1,000 require approval of the Contracting Officer.



## N. MEDICAL SERVICES

Medical clinics are provided at Contractor sites appropriate for the needs of employees at these sites. These clinics include medical equipment required to sustain the program, medical supplies, a full-time or part-time attending physician or other qualified medical professionals, and supporting staff. Medical services provided by the Contractor are not intended to replace the medical care that is the responsibility of the employees' private physicians. Contractor costs for providing medical services are allowable. Primary medical services include:

1. Pre-employment, periodic, fitness-for-duty, post-incident, and termination physical examinations (including laboratory analysis and other diagnostic work in cases where such is warranted) consistent with DOE and Naval Reactor's requirements and the Contractor's operational need.

Where Contractor medical clinics are remote from the employee or when special or independent examinations are necessary, an employee may be provided a periodic physical examination by a qualified physician not in the employment of the Contractor.

2. Diagnosis, treatment and follow up on care for an occupationally related disease or injury.
3. Treatment of minor illnesses and physical complaints that arise during work hours, and other services (e.g., administering immunizations and allergy injection therapy) subject to resource availability.
4. Perform the Medical Review Officer function of the 10CFR Part 707 Workplace Substance Abuse Program.
5. Furnish first aid and other emergency medical care.

## O. EMPLOYEE LEARNING

The Contractor administers various learning activities associated with the development of employee knowledge, skills and/or attitudes/behaviors related to the fields in which employees are working or may reasonably be expected to work. Fiscal year budgets for Contractor Employee Learning programs listed in Section V.O shall be allowable up to a maximum not to exceed 1.00% of Contractor base annual payroll as of September 30 of the preceding fiscal year subject to the terms herein (Contractor Employee Learning ceiling). The Contractor shall submit to the Contracting Officer the Contractor base annual payroll and computed Contractor Employee Learning ceiling for the Contracting Officer's information by October 31 of each year. This ceiling shall not be exceeded without prior Contracting Officer approval.

### 1. EDUCATIONAL ASSISTANCE

- a. Courses paid for through Educational Assistance are limited to academic courses that are provided by institutions accredited by an agency recognized by the U.S. Department of Education Database of Accredited Post-Secondary Institutions and Programs, or the Council for Higher Education Accreditation, and are taken on the employees' own time. Courses may be taken individually or as part of complete undergraduate, graduate (including doctoral) or certificate programs. Exemptions required to accommodate employees on foreign assignment unable to satisfy accreditation criteria shall be approved by the Chief Human Resources Officer or his/her designated representative.



- b. This shall be applicable to salaried, exempt and nonexempt employees. For programs applicable to KAPL represented employees, refer to the THE CONTRACTOR - KAPL Individual Development Program listed in Schedule I of this Appendix.
- c. Allowable costs under the Employee Learning ceiling are limited to tuition, required course materials, including books, and compulsory fees (such as registration fees or laboratory / resource fees) necessary to attend a course from a particular institution. They do not include entrance exam fees or any discretionary fees such as late fees, financing fees, thesis publication fees, travel expenses, or parking fees.
- d. Approved courses are limited to those related to the job in which an employee is currently working or may reasonably be expected to work.
- e. Graduate level degree programs not related to an employee's current academic discipline or position, doctoral programs, and executive MBA programs shall be approved by the Chief Human Resources Officer or his/her designated representative.
- f. Employees may be reimbursed for costs up to \$10,000 in any one calendar year. The contractor shall review this dollar limit every 5 years to determine adequacy. Exceptions to this limit for justifiable business cases shall be approved by the Chief Human Resources Officer or his/her designated representative. This limit does not apply to employees participating in formal internal Leadership Development programs who are obligated to complete advanced degrees within periods prescribed by the Contractor.
- g. Employees will be reimbursed when they provide proof that they have successfully completed the course. Successful completion is defined for graduate programs as a grade of B or higher and for other programs as a grade of B minus or higher. For courses that have no letter or numeric grade scale, successful completion is determined by the educational institution's criteria (e.g. Pass / Fail). Exceptions to this requirement for justifiable business or extreme emergent personal hardship cases shall be approved by the Chief Human Resources Officer or his/her designated representative.
- h. Reimbursement of costs paid by employees for courses that comprise formal, internal Leadership Development Program educational requirements is allowable prior to course completion. However, failure of participants to provide proof of successful completion will require repayment of this reimbursement.
- i. Reimbursements for Educational Assistance will be subject to repayment pursuant to Section III A. 3. Of this Appendix. Employees are required to refund expenses reimbursed under Educational Assistance if they separate voluntarily or are terminated for "cause"(conduct related) within 12 months of the employee's most recent reimbursement. Repayment applies to all reimbursements made to the employee within 24 months prior to the effective date of separation.
- j. An employee is not eligible for duplicate payment of Educational Assistance by the Contractor if the employee is receiving payment from scholarships or other assistance for which the employee does not have to repay (e.g., grants or veteran's benefits).
- k. Employees are eligible to be reimbursed in Educational Assistance after the first six months of employment.



## 2. TRAINING

Training events include classes, seminars or workshops, whether they are on or off-site, live or virtual, which will improve individual performance and assist in achieving the Program's mission and goals. Training shall have specific objectives identified to improve employee knowledge, skills and/or attitudes/behaviors. Employees typically attend Training during their normal work schedules and are not permitted to use overtime to attend training. The contractor shall review training under the training ceiling for business need, cost-effectiveness, and consistency. The results of this review will be provided for information to the Contracting Officer December 1st for the previous fiscal year.

- a. All Training charges are included within the Contractor Employee Learning ceiling with the exception of Nuclear Operations Program Training or as specified below.
- b. Training charges include:
  - (1) Attendance (registration) costs
  - (2) Vendor costs for developing and delivering Training, including their related expenses (travel, meals, materials, etc.)
  - (3) Costs for facility and equipment rental to administer Training
  - (4) Costs for workbooks, media and other materials used for the development and conduct of Training
- c. Training charges do not include:
  - (1) Training included with the initial procurement requisition for special equipment or software
  - (2) Certifications, licenses or qualifications or their prerequisite tests, unless the cost of the Training necessary to obtain these credentials is inseparable from the credential, or if the credentials are required for the delivery of the Training to Contractor employees
  - (3) Employee meals
  - (4) Employee travel
  - (5) Costs incurred for other than Contractor employees
  - (6) Costs related to attendance at a conference (as defined within this section)

## 3. CONFERENCES

- a. General Definition. "Conference" is defined in the Federal Travel Regulation as, "[a] meeting, retreat, seminar, symposium, or event that involves attendee travel. The term 'conference' also applies to training activities that are considered to be conferences under 5 C.F.R. 410.404." However, this definition is only a starting point. What constitutes a conference for the purpose of this guidance is a fact-based determination based on an evaluation of the criteria established in this attachment.



- b. **Additional Indicia of Conferences.** Conferences subject to this guidance are also often referred to by names other than "conference." Other common terms used include conventions, expositions, symposiums, seminars, workshops, or exhibitions. They typically involve topical matters of interest to, and the participation of, multiple agencies and/or nongovernmental participations. Indicia of a formal conference often include but are not limited to registration, registration fees, a published substantive agenda, and scheduled speakers, or discussion panels. Individual events may qualify as conferences without meeting all of the indicia listed above, but will generally meet some of them.
- c. **Local Conferences.** Events within the local duty location that do not require advance travel authorization may also qualify as a conference for the purposes of this guidance if the event exhibits other key indicia of a conference, especially the payment of a registration, exhibitor, sponsor, or conference fee.

#### 4. PROFESSIONAL SOCIETY MEMBERSHIPS

Professional Society Memberships are formal relationships established between the Contractor and/or its employees, and trade, business, professional or technical associations that exist for the collaborative professional benefits of its members. These benefits include access to information on legal, regulatory, professional and state-of-the-art technology information related to Program work; methods for employee development in the form of Training, Conferences and Professional Certification programs; overall savings to the company through discounted Conference or Training course registration fees; as well as aiding employee diversity, attraction and retention initiatives.

- a. The costs of employee Professional Society Memberships are included within the Employee Learning ceiling.
- b. Department Managers may authorize reimbursement of Professional Society Memberships up to \$500.00 per employee per year, for employees when such membership is seen as beneficial to the Program, considering the role of the employee who will be securing the membership. Exceptions to this limitation shall be for justifiable business reasons approved by the Chief Human Resources Officer or his/her designated representative.
- c. If a membership cost is offset through the cost of Training or Conference attendance, that cost is not considered under the employee's membership limit.

#### P. PAYMENTS AFTER DEATH

- 1. An employee's base pay may be paid for one pay period for employees paid semi-monthly or two pay periods for employees paid weekly following the date of his/her death. This payment is subject to the provisions in collective bargaining agreements as appropriate.
- 2. If the deceased employee's period of Total Employment Service exceeds five years, an additional pay period base pay for employees paid semi-monthly or 2 pay periods of base pay for employees paid weekly may be paid. No payments after death are paid if the employee is no longer receiving salary or Extended Salary Payments.
- 3. Payment shall also be made for any portion of Personal Time Off not taken by the deceased employee.
- 4. In the event an employee dies while on a temporary assignment, expenses in accordance with the 41 Code of Federal Regulations Part 303-70 will be allowable.



## VI. LABOR RELATIONS

The terms and conditions set forth in the Collective Bargaining Agreements listed below, including subsequent modifications thereto, between the Contractor and recognized bargaining agents for its represented employees are hereby fully incorporated in this Appendix A. Reasonable costs incurred pursuant to agreements made as a result of collective bargaining with representatives of the Contractor's employees are allowable. It is recognized that the terms of these agreements may differ from the provisions of this Appendix A. When changes to this Appendix A are made, the provisions of the collective bargaining agreements will continue to apply to represented employees, unless and until the Contractor and the union agree to extend the applicability of the changes to this Appendix A to union-represented employees through the collective bargaining process. Job classifications and respective wage rates applicable to union represented employees of the Contractor, as of the effective date of this contract, are incorporated into and hereby made part of this Appendix A. The agreements referred to in this paragraph are:

1. Agreement between BMPC and the Eastern Idaho Metal Trades Council, AFL-CIO, dated January 1, 2015.
2. Agreement between BMPC and the International Association of Machinists and Aerospace Workers, AFL-CIO, dated September 30, 2015.
3. Agreement between BMPC and United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, dated October 1, 2015.
4. Agreement between BMPC and the International Union, Security, Police, and Fire Professionals of America, Amalgamated Local 502, dated October 1, 2015.
5. Agreement between BMPC and the IUE-CWA, Local 301 A.E., dated August 24, 2015.
6. Agreement between BMPC and the Professional Security Employees Association, Local 1, dated June 1, 2012.
7. Agreement between BMPC and the International Federation of Professional and Technical Engineers, Local 147, dated September 14, 2015.
8. Agreement between BMPC and the International Brotherhood of Teamsters, Local 294, dated August 29, 2015.
9. Agreement between BMPC and the United Association of Plumbers and Pipefitters, Local 128, dated August 29, 2015.
10. Agreement between BMPC and the International Association of Fire Fighters (IAFF), Local I-91. December 1, 2016 – December 1, 2020.

The Contractor will:

- Promote orderly collective bargaining relationships, equitable resolution of disputes, efficiency and economy in operations, and the judicious expenditure of public funds.
- Provide copies of these agreements, including subsequent amendments, revisions, or replacements, to the Contracting Officer promptly after execution by the parties.
- Provide copies of all revisions to the job classifications and corresponding wage rates for members of these bargaining units to the Contracting Officer when implemented.
- Meet with the Contracting Officer prior to and during negotiations with a union regarding any matter concerning any collective bargaining agreement or revision to any such agreement in



order to review economic issues or other issues which could result in a significant additional cost to the government.

- Promptly advise the Contracting Officer of significant or consequential labor relations developments involving the Contractor or any Subcontractor workforce at the Bettis, NRF, Knolls, NPTU Charleston and Kesselring sites, including:
  - Possible strike actions affecting the facilities and/or continuity of operations,
  - Referral to the National Labor Relations Board at any level,
  - The filing of any complaints and/or charges with any other Federal and/or state agencies,
  - Recourse to procedures under the Labor-Management Act of 1947, as amended, or any other Federal or state labor law, or
  - Any grievance which has been referred to the American Arbitration Association (AAA) or Federal Mediation and Conciliation Service (FMCS) as part of the arbitration procedure under a collective bargaining agreement.

## **VII. AWARD PROGRAMS**

### **A. RECOGNITION AND ACHIEVEMENT AWARDS**

Recognition and Award Programs are developed and offered by the Contractor to motivate employees towards performance excellence and to provide material recognition of their achievements. The costs of awards provided pursuant to the following programs are allowable and shall not exceed \$250,000 annually. All non-incentive employees are eligible for these awards. The Contractor will determine the appropriate split of funding for various types of awards based on need. Costs of photos and certificates are allowable.

1. Engineer and Scientist Award – To recognize outstanding achievements, advances in the state of the art, product preeminence and sustained significant contributions to the business or program. Award amount will not exceed \$2500.
2. Achievement Award – To recognize outstanding achievement by exempt and non-exempt employees. Award will not exceed \$1000 per winner.
3. Team Achievement Award – To recognize outstanding achievement by a team of exempt and non-exempt employees with four or more individuals per nomination. Award is \$1000 divided among the winners.
4. SPOT Award – To immediately provide recognition to employees who go above and beyond their expected role. Awards range between \$150 and \$500.

### **B. INVENTION AND PATENT AWARDS**

#### **1. Invention Award**

Payment for an Invention Award of \$300 to a sole inventor, or \$500 divided among joint inventors will be awarded when authorized by the Contractor's Intellectual Property Committee for meritorious inventions. Payment shall be made to Contractor employees and persons separated from the Contractor's payroll for any reason including retirement, when the disclosures were submitted prior to the date of separation. However, separated persons shall not be eligible if they were terminated for cause, or if they resign. Costs of photos and certificates are allowable.



## 2. Patent Award

Payment for a Patent Award of \$300 is made to each individual, either as a sole or joint inventor, as each patent is issued. Payment shall be made to Contractor employees and annuitants. Patents and statutory invention registrations issued to the U.S. Government on these inventions will be considered eligible for Patent Awards. "Allowed" or "accepted" patent applications which do not issue because of security classifications will also be eligible for Patent Awards. Costs of photos and certificates are allowable.

## C. CONTRACTOR SERVICE

The status of an employee with regard to Contractor service determines eligibility for participation in the Contractor Service Award Program.

Allowable costs associated with the Contractor's Service Award Program shall be limited to cards, certificates, photographs, informational materials, plaques, shipping, and awards commemorating service dates beginning with the 5<sup>th</sup> anniversary of each employee and continuing at 5-year intervals.

## D. RETIREMENT AWARD PROGRAM

Costs associated with the Contractor's Retirement Award Program shall be allowable under this contract up to \$170 per award, indexed annually to the Consumer Price Index – Urban (U). Under this program, all retiring Contractor employees are eligible to select a commemorative award which shall be presented at the time of retirement.

## E. EMPLOYEE SUGGESTION AWARD

The Employee Suggestion Award Program is at the mutual benefit of the Contractor and its employees. Costs associated with recognizing non-exempt employees who make process, quality and/or cost saving suggestions that are accepted will be allowable. A Review Committee will thoroughly investigate each suggestion. Suggestions must be consistent with Contractor practice and directly benefit Contractor operations. Awards can be up to 25% of the cost savings and any award \$5000 and above will require the approval of the GM or his/her designated representative. If a suggestion is adopted, but has no tangible savings, an award up to \$200 may be granted. In no event shall an award be made for an amount of more than \$15,000 for, or in connection with, any suggestion, including all applications of ideas embodied in the suggestion. An annual limit of \$30,000 shall not be exceeded without prior Contractor Officer approval.

## F. NAVAL REACTOR'S PROTECTIVE FORCE COMPETITION AND AWARDS PROGRAM

The Naval Reactor's Protective Force (NRPF) Competition and Awards Program provides motivation and recognition to NRPF personnel for security performance (such as physical fitness, knowledge, and marksmanship) achievements. The cost of the NRPF Competition and Awards Program will not exceed \$4,800 per fiscal year. The NRPF Competition and Awards Program will be conducted according a written plan with objective criteria in place to be eligible for an award.

# VIII. MISCELLANEOUS

## A. SUSPENSION OF ACCESS AUTHORIZATION (SECURITY CLEARANCE)



Contractor policy establishes the following requirements for administering absences due to a suspension of an access authorization by the DOE, under 10CFR, Part 710.

1. Upon notification that an employee's access authorization has been suspended, the employee will be placed on an unpaid Leave of Absence (LOA). The employee will be eligible to continue health and welfare benefits with the company continuing to pay the portion it paid prior to the suspension.
2. If notified by the Government that the employee's access authorization has been revoked, the employee will be terminated. The employee will be eligible for COBRA benefits and will be paid for any unused PeTO.
3. Upon notification by the Government that the employee's suspended access authorization has been reinstated following a DOE Administrative Review, the employee will be returned to active service and the unpaid LOA will be converted to paid Administrative Time Off.

#### B. COMMUNITY SERVICE ACTIVITIES

The Contractor will be reimbursed for costs incidental to employee participation in community service activities (e.g., campaigns to solicit for charitable contributions like United Way, U.S. savings bond drives, periodic blood bank and food bank drives). Official time used to support community service activities will be reasonable to avoid excessive lost time.

#### C. CONTRACTOR INTERNAL COMMUNICATIONS

Various contractor internal communications shall be provided to Contractor personnel and family members to keep them informed regarding employee-related accomplishments, rights, responsibilities, benefits, and Contractor activities. Where practical, a single communication vehicle will be developed and distributed to reach all Contractor employees. Communication vehicles may include paper, electronic, and web-based postings of information. Reasonable costs for the publication and distribution of such vehicles are allowable, including the use of color for photographs provided there is no additional cost to the Government. All multi-colored printing shall contribute demonstrable value toward achieving a greater fulfillment of the ultimate end-purpose of the printed item in which it is included. Also, the cost of providing a reasonable number of Bechtel publications to the Contractor sites is allowable. Development and control of communications of this type is the responsibility of Human Resources, including adherence to applicable requirements for release of information, such as Public Utterance/TIRAR, and ensuring information in these publications intended for employees is not published in external publications without specific Contractor approval.

#### D. EQUAL EMPLOYMENT OPPORTUNITY AND AFFIRMATIVE ACTION

The Contractor will annually, by March 1, make available for Government review documentation required by Executive Order 11246, the Vietnam Era Veterans Readjustment Assistance Act, the Jobs for Veterans Act, and Section 503 of the Rehabilitation Act. This documentation includes the report on affirmative action goals and achievement toward those goals; an identification of specific problem areas as defined in 41CFR60-2.17(b); the Impact Ratio Analysis for hiring, promotions, and terminations; results of the annual salary equity analysis; a report detailing the effectiveness of affirmative action efforts including a count of hires by each recruiting source for each goal area; and the internal audit report.



**SCHEDULE I      LIST OF ADDITIONAL DOCUMENTS INCORPORATED BY REFERENCE INTO  
APPENDIX A**

- BMPC Group Benefit Plan (dated January 2012)
- Bechtel NR Program Savings Plan (dated January 2012, as amended)
- Bechtel NR Program Capital Accumulation Plan (dated January 2012, as amended)
- Pension Plan for Eligible Bettis Employees and Retirees (dated January 2012, as amended)
- Pension Plan for KAPL Employees in Participating Bargaining Units (dated August 2015, as amended)
- Salaried Employee Pension Plan for KAPL Employees and Retirees (dated January 2012, as amended)
- Employee Security and Protection Plan (dated January 2012)
- BMPC Separation Plan (dated January 1, 2013, as amended)
- BMPC Involuntary Separation Plan (dated January 1, 2013, as amended)
- BMPC Medical Disqualification Disability Pay Plan (dated January 2017, as amended)
- Supplemental Pension Plan for Designated Bettis Employees (dated April 2017, as amended)
- Executive Pension Plan for Designated Bettis Employees (dated December 23, 2008, as amended)
- Bechtel NR Program Nonqualified Deferred Compensation Plan (dated 2016, as amended)
- Supplemental Pension Plan for Eligible Former employees of General Electric (dated December 30, 2008, as amended)
- Supplemental Retirement Plan for Designated Employees (dated December 30, 2008, as amended)
- BMPC Executive and Incentive Compensation Plan, Revision January 2014
- BMPC-KAPL Individual Development Program (dated December 1, 2011)